

The NATIONAL UNDERWRITER

★ PROTECTION for BUSINESS, HOME AND FAMILY



THE DEMAND FOR PROTECTION of business, home and family is fundamental to American life, government and law.

THE TEMPO OF OUR LIVING, the speed of transportation, our complex machinery, the ravages of natural forces, the carelessness of mankind and the multiplying crimes of evil-doers are increasing threats to security.

STOCK COMPANY INSURANCE continues to answer the Nation's demand for sound protection through the experienced services of intelligent and trustworthy Local Agents.

LOYALTY GROUP INSURANCE POLICIES are designed to provide security for every business, home and family.

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MARINE • SURETY
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Firemen's Insurance Company of Newark, New Jersey

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The Mechanics Insurance Co. of Phila.
Superior Fire Insurance Company
The Metropolitan Cas. Ins. Co. of N. Y.

Milwaukee Mechanics' Insurance Company
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The Concordia Fire Ins. Co. of Milwaukee
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AVERAGE AGE LOYALTY GROUP COMPANIES • OVER • 69 YEARS



THURSDAY, JANUARY 6, 1938



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THE Royal-Liverpool Groups insure the buildings in connection with a large mining company in South America — over 11,000 feet above sea level.

Here, surrounded by mountains that are snow-capped practically all the year 'round, is a mining settlement well protected by most modern fire appliances—over two miles above sea level!

This is No. 5 of the series, "Round the World with the Royal-Liverpool Groups." No. 6 takes the Groups to a spot in Palestine 683 feet below sea level.



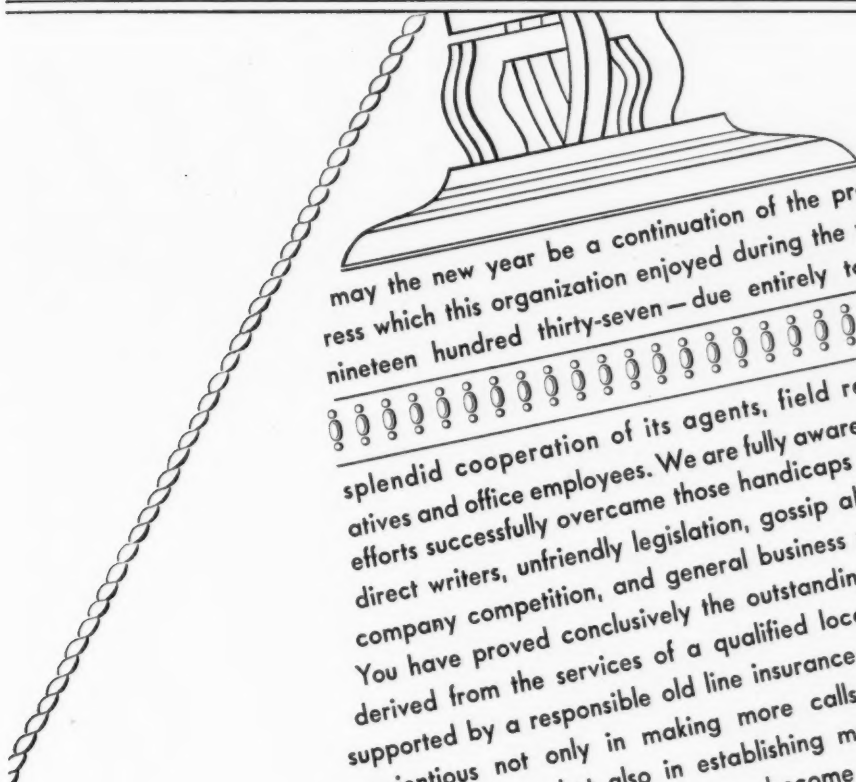
Aerial Explorations Photo

• ROYAL LIVERPOOL GROUPS

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA
THE LIVERPOOL & LONDON & GLOBE INSURANCE CO., LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • QUEEN INSURANCE COMPANY OF AMERICA
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UNITED STATES FIRE INSURANCE COMPANY	ORGANIZED 1824	WESTCHESTER FIRE INSURANCE COMPANY	ORGANIZED 1837
THE NORTH RIVER FIRE INSURANCE COMPANY	ORGANIZED 1822	WESTERN ASSURANCE CO., U. S. BRANCH	INCORPORATED 1851
RICHMOND INSURANCE COMPANY	ORGANIZED 1907	BRITISH AMERICA ASSURANCE CO., U. S. BRANCH	INCORPORATED 1833
THE ALLEMANNIA FIRE INSURANCE CO. OF PITTSBURGH	ORGANIZED 1868	SOUTHERN FIRE INSURANCE CO., DURHAM, N. C.	INCORPORATED 1923



may the new year be a continuation of the progress which this organization enjoyed during the year nineteen hundred thirty-seven — due entirely to the

splendid cooperation of its agents, field representatives and office employees. We are fully aware that your efforts successfully overcame those handicaps caused by direct writers, unfriendly legislation, gossip about mutual company competition, and general business retrenchment. You have proved conclusively the outstanding value to be derived from the services of a qualified local agent who is supported by a responsible old line insurance group. You were conscientious not only in making more calls and writing more diversified business, but also in establishing more adequate protection for your assureds. Your clients have become our friends, and we feel sure that with our present organization this friendship will continue through the years. So as the bells ring out the old and ring in the new, we extend to one and all

BEST WISHES FOR 1938.

CRUM & FORSTER
MANAGERS
110 WILLIAM STREET, N. Y. C.

Western Dept.
FREEPORT, ILLINOIS

Pacific Dept.
SAN FRANCISCO, CALIFORNIA

Carolinas Dept.
DURHAM, NORTH CAROLINA

Allegheny Dept.
PITTSBURGH, PENNSYLVANIA

Southern Dept.
ATLANTA, GEORGIA



1938 is going to be an Inland Marine Year. Get aboard early. There is a large and increasing volume of this business to be developed. Our Inland Marine and Special Lines Department, with its comprehensive, world-wide facilities, will gladly help you to develop it locally. Your fullest inquiries about and use of these facilities are cordially invited.

Chart your course for 1938 Inland Marine production with the aid of our Source Chart of Prospects. Write for a copy.



**NORTH BRITISH & MERCANTILE
INSURANCE COMPANY, Ltd.**

150 WILLIAM STREET, NEW YORK

Writing Fire, *Inland Marine* and ALL Kindred Lines

The NATIONAL UNDERWRITER

Forty-second Year—No. 1

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JANUARY 6, 1938

\$4.00 Per Year, 20 Cents a Copy

Premium Finance Plan for Local Banks Now Ready

Simple Method with Perfect Security for Lender and Company Is Evolved

Premium financing on a plan of the utmost simplicity, through local banks, has now been perfected along the lines originated by Allan C. Stevens, local agent at White Plains, N. Y. The Royal-Liverpool group, the Aetna Casualty & Surety group, the Crum & Forster group, American of Newark, Phoenix of London and Security of New Haven have definitely agreed to cooperate and are expected to take steps to recommend the plan to their agents. Among the other company groups now giving the plan definite consideration, and which expressed favor for it in its formative stages are: Aetna Fire, Agricultural, Fireman's Fund, Globe Indemnity, London Guarantee & Accident, National Surety, National of Hartford, National Union, New Hampshire, London Assurance, Royal Indemnity and Springfield Fire & Marine. A number of other companies have indicated an interest in the plan.

Supplies Through Mr. Stevens

The first step is for agents or banks to secure supplies, which are available through Mr. Stevens. The companies have agreed to cooperate on the basis of a copyrighted note, which protects the bank and the insurance companies. The note amounts to an assignment of the policy, to which the consent of the company is necessary, and naturally the companies wish to have a standard note used, so as to avoid the necessity of studying every case that comes up to see whether the terms are acceptable. With the copyrighted form every deal will go through without correspondence.

The simplicity of the system is what appeals to the companies, and no doubt will to the agents. Once the contact is established there is no red tape of any kind. The insured keeps the policies but signs the note. A simple endorsement is attached to the policy to protect the insured on the assignment before loss, and the company is notified so that it will not pay the return premium to anyone but the bank.

Letter Is Heart of Plan

The heart of the plan is a copyrighted letter, written and duly signed by the insurance company, and addressed to the Peoples National Bank & Trust Company of White Plains, N. Y., agreeing to protect any bank financing premiums in accordance with the plan. The Peoples National of White Plains in turn will certify to any interested bank the entire list of companies that have signed the agreement. A fee will be required of any bank wishing the certification, but the fee will also cover a supply of notes and blanks needed. Agents can

(CONTINUED ON PAGE 11)

Rhyan Heads Inland Marine Division of North British

Called from Connecticut Field—Shotwell to Give Entire Attention to Automobile

NEW YORK—Secretary S. T. Shotwell of the North British & Mercantile is relinquishing supervision over the inland marine line in order to concentrate exclusively upon automobile business. Walter R. Rhyan has been appointed as secretary in charge of the inland marine department. C. A. Mayo, who has been general agent of the inland marine department since 1936, so continues



WALTER R. RHYAN

and will be chief assistant to Mr. Rhyan.

The continued growth of both automobile and inland marine business for the companies prompted the decision to divide the responsibility.

Served in Wisconsin Post

Mr. Rhyan, a son of a local agent in the northwest, started with the Wisconsin Inspection Bureau, later joining the New England department of the North British companies as a Dean schedule engineer. After serving for four years, he was appointed special agent in southern Massachusetts, being further advanced to executive special agent for the New England territory in 1930. A year later he was called to the head office, and in 1935 named general agent of the inland marine department. For the past two years he traveled the southern Connecticut field as special agent. He is a past most loyal gander of the New England Blue Goose.

Give Farewell Dinner

A number of agents in Connecticut tendered Mr. Rhyan a farewell dinner in New Haven. They presented Mr. Rhyan a desk set, and Mrs. Rhyan a lamp. C. F. Shallcross, United States manager of the North British, and Assistant U. S. Manager C. E. Case attended.

Mr. Mayo began his underwriting career with a leading brokerage house of this city. Later he became manager of the marine department of a Canadian general agency. His connection with the North British dates from 1936, when he assumed his present post as general agent for inland marine lines.

J. W. Britton Becomes New Tennessee Commissioner

State Comptroller Is Given Post as J. M. McCormack Is Ousted

NASHVILLE—James M. McCormack, commissioner of insurance and banking for Tennessee, was ousted by Gov. Browning effective Jan. 10.

John W. Britton, former state comptroller, has been appointed as the new commissioner.

E. H. Crump, Memphis insurance man and dominant political figure in Shelby county and west Tennessee, declared Mr. McCormack was ousted merely because he is from Shelby county. Mr. Crump supported Gov. Browning in the campaign, but subsequently the two had a bitter falling out and the Governor is moving against Mr. Crump in several directions. Mr. McCormack was sponsored by Mr. Crump.

The new appointee was engaged in the life insurance business in Knoxville 11 years before his election by the legislature to the office of comptroller. He is a native of Loudon county but spent most of his life in Knoxville.

Mr. McCormack has not announced a future connection but it is understood he will enter the general insurance business in Memphis.

The ouster of Mr. McCormack and appointment of Mr. Britton had been expected for several weeks.

Manhattan F. & M. Opens Inland Marine Department

NEW YORK—The Manhattan Fire & Marine of the London Assurance group has inaugurated a modern inland marine department, President Everett W. Nourse announces. It is "geared to every need of the American agency system," Mr. Nourse declares.

"It is somehow fitting that we should expand our field of service at the beginning of a New Year, regardless of talk of 'recession,'" Mr. Nourse said. "The fact that a progressive company can open up new avenues of service at a time when new avenues of service are needed, without having to wait for fair-weather winds, is a fine tribute to the sound principles of our business."

The manager of the new department is Kenneth J. Bidwell, formerly inland marine underwriter and field consultant for Eric E. Ellis, United States representative for the Reliance Marine and other companies. Prior to that connection Mr. Bidwell was with the Reliance Marine in its Liverpool, England, office.

The marine operations of London Assurance are managed in the United States by Chubb & Son.

R. J. Rademacher Is Dead

R. J. Rademacher, state agent in South Dakota and southern Minnesota for the London & Lancashire, died New Years day after a month's illness.

His headquarters were in LeCenter, Minn. He had been with London & Lancashire about 15 years. Western Manager C. Claussen and Agency Superintendent C. G. Robertson attended the funeral in LeCenter Tuesday.

Post Office Moves Against Milwaukee Outfit

Associated Adjusters Faces Loss of Mail Privilege in Washington Hearings

Insurance people will be much interested in the fact that hearings are being conducted this week in Washington on the citation of Associated Adjusters of Milwaukee by the post office department. The proceedings are to enable the government to decide whether to issue a fraud order and deny the use of the mails to Associated Adjusters. Some time ago the Canadian postal department denied the use of mails to Associated Adjusters in the Dominion.

The hearings opened Tuesday and were continued through the following day, counsel for Associated Adjusters claiming that its operations were not in violation of postal regulations and that no fraud orders barring the use of the mails should be issued.

For the past year or so insurance offices have been deluged with inquiries regarding Associated Adjusters because this outfit was inserting want ads in newspapers throughout the country offering for \$5 to convert anyone now employed or unemployed into an adjuster and provide such a person with work—indicating that the likely remuneration would be \$200 per month.

Licenses Were Revoked

At first two of those connected with the Associated Adjusters held adjusters licenses in Wisconsin but these were revoked. The Milwaukee Better Business Bureau has been vigilant in keeping track of the operations of Associated Adjusters and its information has been made available to the post office department. Those named in the postal department citation include J. B. Morsen, president; W. J. Cressy, who Morsen claims is no longer connected with the outfit; M. F. Burmaster, "director of legal research;" H. T. Yurchick, E. R. Gerholz and W. T. Gross.

Letterhead Used in Attack

The letterhead of Northwestern Mutual Fire and Northwest Casualty of Seattle recently appeared in a circular gotten out by the Associated Adjusters of Milwaukee. It was included in a paste up of the letter heads of a number of finance companies, the implication being that all the concerns whose letter heads appeared thereon were patrons of Associated Adjusters. This exhibit was attached to an attack on the Better Business Bureau of Milwaukee, which published an expose of Associated Adjusters.

No portion of the letter of Northwestern Mutual Fire and Northwest Casualty was shown, only the letter head.

The Northwestern Mutual and Northwest Casualty were queried as to their relationship to Associated Adjusters. In

reply they send copies of letters, one dated Nov. 13, 1936, and another Nov. 8, 1937, addressed by the Seattle companies to Associated Adjusters.

The one dated Nov. 13, 1936, reads: "We are in receipt of your letter of Oct. 19, but received only yesterday, with which you sent us your so called contract of guaranty. We have also received your directory of adjusters No. 9682 and in going through it we fail to find a single name which is familiar to us and which is recognizable as an established and dependable insurance adjuster."

"Inasmuch as we could not afford to entrust the adjustment of our losses to any adjusters other than those who are well established in the profession, we ask that you remove our name from your mailing list. We also specifically request that you in no way use the name of either the Northwestern Mutual Fire Association or the Northwest Casualty Company in a manner that might be construed as recommending or sponsoring your organization."

The letter dated Nov. 8, 1937, reads: "We are in receipt of your form letter of Nov. 2 and it has followed the rest of your literature into the waste basket. May we again request that you remove our name from your mailing list?"

Tiedemann Is on Indefinite Leave of Absence

SAN FRANCISCO—J. A. Tiedemann, with the Pacific Coast Automobile Underwriters Association and its successor, the National Automobile Underwriters Association, for about 21 years, at his own request is being granted indefinite leave of absence, effective immediately. Mr. Tiedemann has occupied a prominent position in Pacific Coast insurance since entering business in British Columbia in 1885. He came to San Francisco in 1887 with Brown, Craig Company, now Edward Brown & Sons, later serving as general agent Scottish Union & National until the San Francisco conflagration. He later opened the Pacific department of the Michigan Commercial Fire. He has served as secretary of the Burglary Association, Casualty Board of Northern California and Plate Glass Association. He joined the Pacific Board in 1894, becoming a life member in 1922, and served as vice-president in 1910 and president in 1911.

Three Montana Agents Die

The deaths of three prominent Montana agents occurred recently. E. A. Morely, 74, of Morley & Thomas, Butte; Ray C. Colvin, general agent at Miles City, who had been in the insurance business there for 25 years, and J. P. Bruckhouser of Kalispell.

Freeman Chief Special Agent

The Hingham Mutual Fire of Hingham, Mass., has appointed B. F. Freeman as chief special agent. He has traveled the New England states for more than a decade for stock companies.

Recommended Smith's Reelection

A. J. Smith of Zweig, Smith & Co., has been nominated for reelection as president of the Association of Local Agents of the City of New York at the annual meeting Jan. 11. W. S. Brown is nominated for reelection as vice-president and A. S. Jarvis for secretary.

The nominating committee recommends for election to the executive committee: S. T. Perrin, E. J. Hopper, Clarence McDaniel, C. A. Fowler and G. F. Kern.

Promotes N. J. Women's Unit

Mrs. Christine B. Nolan of North Bergen is heading a movement to organize a women's insurance association in northern New Jersey. Mrs. Nolan is a former president of the Underwriters Association of Hudson county.

E. L. Ballard, Founder of Merchants Fire, Is Dead

Long President of New York Company, Launched in 1910, and Chairman in Recent Years

NEW YORK—Edward L. Ballard, 67, founder and chairman of the executive committee of the Merchants Fire of this city and chairman of the board of the affiliated Washington Assurance and Merchants Indemnity, died, following an extended illness.

A son of the late F. W. Ballard, for a number of years with a fire company here and later insurance editor of the "Commercial Bulletin" (since merged with the "Journal of Commerce"), it was natural that Edward Ballard should follow his father into the insurance arena. His first connection was with the Continental, of which he became an assistant secretary in 1897, subsequently being elected vice-president of that company and the affiliated Fidelity (now the Fidelity-Phenix).

Launched Company in 1910

Convinced that an opportunity existed for launching a new corporation on ideas he conceived while in the service of the Continental group, Mr. Ballard organized the Merchants Fire in 1910, acting as its president and directing head until 1920 when he became chairman. He was succeeded as president by A. C. Noble, also a graduate of the Continental office, who had joined Mr. Ballard in launching the Merchants Fire. While Mr. Ballard had been inactive in the affairs of the company for some five years, he kept in close touch with its development and was regular in attendance at board meetings.

His close attachment with the Baptist Church brought him into contact with John D. Rockefeller, Jr., and the two became such close friends that when Mr. Rockefeller resigned practically all of his corporation directorships except those affiliated with the Standard Oil, he continued on the board of the Merchants Fire group.

Mr. Ballard's brother, Sumner, is president of the International Reinsurance and secretary of the National Board. For many years prior to 1919 he was insurance editor of the "Journal of Commerce." Another brother, the late W. M. Ballard, was United States secretary of the Commercial Union, while a third brother, Frank, was agency

State Laws Restricting Non-admitted Reinsurance

In a recent issue, in answer to a question, THE NATIONAL UNDERWRITER listed 24 states and the District of Columbia as having laws prohibiting reinsurance in unlicensed carriers. Exception has been taken to that list. The executive of a reinsurance company states that according to his information there are 13 states that prohibit reinsurance in unlicensed carriers and assess penalties for violation, they being: Colorado, Delaware, Illinois, Iowa, Louisiana, Michigan, Montana, Nevada, New Hampshire, North Carolina, Ohio, Texas and West Virginia.

The states of New York, Massachusetts and Pennsylvania grant a class "B" license to strictly reinsurers, to secure which involves only a simple formality and no expense of consequence. The Nebraska law does not allow credit for unlicensed reinsurance placed by Nebraska companies only and there may be some similar unimportant and limited restrictions in one or more of the other states in the list given in THE NATIONAL UNDERWRITER, but this executive states that so far as he knows there is no legal restriction of any sort against unlicensed reinsurance in several of the states listed.

A good many states, he observes, assess tax on the gross premium when reinsurance is not admitted, but neither that nor a provision that credit in reserves cannot be taken for unadmitted reinsurance, prohibits such reinsurance or makes it illegal.

Resigns Millers National

GALVESTON, TEXAS — The Moody, Webb & Co. general agency here has resigned representation of the Millers National of Chicago. It has had the connection only a short time. M. C. Heuerman of San Antonio and Harry Mensman of Galveston, who formerly represented both Moody, Webb & Co., general agents and the Security National Fire of Galveston, following the separation of these two organizations will devote their entire time to the general agency. Mr. Heuerman will travel in west Texas and Mr. Mensman will supervise east Texas, working out of the head office in Galveston.

superintendent of the Equitable Society, at the time of his death a number of years ago.

Riot Coverage in Period of Transition During 1937

Sit-Down Tactics Cause Redefinition of Terms — Vandalism Market Is Stimulated

America witnessed its most turbulent year in the labor movement in 1937. Likewise insurance companies writing riot and civil commotion and vandalism coverage grappled with a combination of new forces, as labor, attempting to gain greater recognition, put its inventive mind to work. The "sit-down" strike was labor's most cherished and effective weapon although a variety of types and variations in strike methods presented an overwhelming quantity of claims against insurance companies. In most instances, the question of liability has been difficult for the courts to determine.

The feeling was more or less general during the past year that those attempting to place a construction upon the riot and civil commotion provisions of the supplemental contract embarked upon an uncharted judicial sea. Plausible arguments were made on both the liability and non-liability side of "sit-down" and other strike losses. However, the year was responsible for bringing to light what is generally considered the most comprehensive treatise yet published on riot and strike risks and riot and civil commotion insurance. This was prepared by the National Association of Electrical Manufacturers, collaborating with numerous fire insurance experts on all forms of riot coverage. This detailed study considered with respect to riot and strikes their effect upon various kinds of insurance, how to procure or maintain desired protection and special problems raised by "sit-down" strikes.

Classify "Sit-Down" Status

Although many held the belief that "sit-downs" were considered riots and that companies are liable under the riot and civil commotion clauses for damages suffered, the bulletin attempted to clarify the point that such coverage was never intended to cover strike damage occurring in the absence of riot and that while present claim may be paid at least in part, under existing riot and civil commotion property damage clauses, action was being taken to redefine this coverage "in line with its original intent." Most insurance men have held that this coverage including the usual forms of supplemental contracts, do not cover physical damage to property in absence of riot. In concluding that such risks may be covered it is stated that a fire policy applies when the loss is due to fire or fire following explosion, the explosion or riot and civil commotion coverage, whichever carried, takes care of explosion damage and the riot policy covers physical damage caused by riot and fire caused by riot. Vandalism, sabotage or malicious damage, such as to buildings, machinery, material and products, may be covered through a vandalism or malicious mischief endorsement which may be applied to insurance covering property damage, U. & O., profits, rents or similar special interests.

Explosion Conference Change

In 1937, the Explosion Conference inaugurated new rates on the vandalism policy or endorsement which reduced costs 50 percent from those promulgated in June, 1934, with the \$500 deductible lowered to \$100. The small sale of this coverage, caused by its extremely high cost, may show some increase in 1938 due to this revision. Considerable malicious mischief and vandalism has been sold throughout the country under a broad London Lloyds contract. A majority of the properly informed assured such as General Motors and Chrysler carried adequate coverage to meet the "sit-down" situation that flared up the

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THE WEEK IN INSURANCE

New premium financing plan, offered through local banks, is reported now ready for operation. **Page 3**

Manhattan F. & M. opens inland marine department under K. J. Bidwell. **Page 3**

Associated Adjusters of Milwaukee is cited by post office department. **Page 3**

W. R. Rhyen has been appointed secretary in charge of the inland marine department of **North British & Mercantile** and Secretary **S. T. Shotwell** hereafter will give his attention exclusively to automobile. **Page 3**

E. L. Ballard, founder of the Merchants Fire of New York, died there. **Page 4**

Riot and civil commotion coverage undergoes redefinition during past year—vandalism cost reduced. **Page 4**

J. W. Randall, vice-president of the Travelers, issues statement championing the proposed retrospective automobile merit rating plan; several organizations of local agents express official opposition to the arrangement. **Page 17**

Setup and official personnel of the **Towner Rating Bureau** are revamped. **Page 15**

J. M. McCormack is ousted as **Tennessee commissioner** and is succeeded by **J. W. Britton**, formerly state comptroller. **Page 3**

Casualty general agents of Kansas City oppose National Bureau's new safe driving award plan. **Page 23**

Health & Accident Underwriters Conference launches research work on selection of agents. **Page 16**

Applications for new company licenses present problem for Commissioner De Celles of Massachusetts. **Page 15**

Preliminary statement of premiums of companies in **Travelers group** for 1937 indicates a new high was reached. **Page 17**

Nation's auto fatality toll is 40,300; non-fatal injuries, 1,060,000, **Travelers** announces. **Page 15**

Illinois license of London Lloyds expected to be contested soon by surety men; attorney-in-fact announces requirements to agents and brokers. **Page 15**

Savannah, Ga., bank agency issue is settled in an amicable manner. **Page 25**

John D. Saint resigns as manager of Oklahoma Association of Insurers to take similar position with Tennessee association. **Page 25**

Special Program for 90th Meeting of Ohio Farmers

College President, Insurance Editor to Address Gathering in LeRoy Jan. 18

Special emphasis is being placed this year on the annual meeting of the Ohio Farmers Agents Association of Ohio at the head office in LeRoy, Jan. 18, because at the same time will be held the 90th annual meeting of the company. This will be the 47th annual meeting of the agents association.

Each year at the time of the holding of the company's annual meeting, members of the agents association gather at the home office for their annual business meeting and general get-together. Usually also in attendance are many Ohio Farmers agents and representatives from Indiana, Illinois, Canada, as well as officers and agents from E. K. Schultz & Co., general agents, Philadelphia, and from W. L. Perrin & Son, New York.

Interesting sessions have been arranged for by the agents, in addition to the routine affairs.

W. V. Hayes to Preside

At the opening session on Tuesday afternoon Association President Will V. Hayes of Marietta will preside. Secretary Frank E. Kirkpatrick of Columbus will report. President F. H. Hawley will welcome the agents and guests. Response for the association will be by Mr. Hayes.

Two outside speakers will appear, they being C. M. Cartwright, managing editor THE NATIONAL UNDERWRITER, Chicago, and Dr. Wm. G. Spencer, president Franklin College, Franklin, Ind.

A discussion of underwriting problems beginning with a review of underwriting results of 1937 will be handled by J. C. Hiestand, secretary of the company. This will be followed by talks on selling by C. D. Palmer, Columbus; J. M. Kirkpatrick, Muncie, Ind., and Thos. M. McNutt, Sr., Mattoon Ill.

Solemn Ceremonial Slated

The ceremonial of initiating new members and inducting them into lasting membership in the shaggy order of Yellow Dogs will be held in the new Westfield Club House. This organization is composed of men who are in any manner connected with the insurance business.

At the annual banquet the only address will be delivered by Al Wynkoop, city editor, "Indiana Reporter," of Lebanon. There will be a motion picture depicting work of the Underwriters Laboratories. The day will close with the annual ball.

On Wednesday morning the Ivy Trophy will be awarded by C. D. McVay, executive vice president of Ohio Farmers. This will be presented to one of the four Ohio districts that was the production winner in 1937. This contest was established a number of years ago and develops much friendly competition. Results are never given out until the time of the annual meeting.

Unfinished business of the agents' association is next, followed by reports of committees and election of officers.

Mr. Hiestand reads the annual report of the company. Remarks are made by other officers, directors, and agents. Resolutions on the death of Treasurer Price Russell are adopted and ordered spread upon the minutes. New directors of the company are elected. Final reports are given and, after the usual annual meeting dinner, farewells and well wishes are exchanged.

C. E. Jones is the new treasurer of Ohio Farmers.

Mr. Jones is president of the old Phoenix National Bank of Medina, O. Attorney J. A. Weber of Medina has been elected a director to take the place of Mr. Russell.

National Fire's Western Department 50 Years Old



GEORGE H. BELL

As the opening gun in a campaign to celebrate the 50th anniversary of the establishment of the western department of the National Fire group, President F. D. Layton has sent agents of the group's four companies under the supervision of the western department a copy of the original letter sent by President James Nichols Jan. 6, 1888, announcing the appointment of Fred S. James as head of the then new western department of the National Fire. The reproduction of the old letter has been specially processed so that it is an exact replica of what the old letter now looks like. The original letter was found pasted in the front of the policy register of an old-time agent of the National in Nebraska.

"During these 50 years our western department has had but two chiefs—Mr. James and Manager George H. Bell. These men and the staffs they have built around them, have served you, and have served us, exceptionally well," said Mr. Layton in his letter to the agents.

"The National Fire and the companies of the group have risen from small beginnings to leading positions in the west. We, here at the home office, feel that a tribute is due the western department, Manager Bell, and his staff, for the splendid work they have done in bringing our companies to their present outstanding positions."

Independent Adjusters Launch Interesting Bulletin

The National Association of Independent Insurance Adjusters from its headquarters in Wichita has commenced publication of an interesting bulletin to members. Committee appointments are announced; there is a message from President L. A. Gouldman, in which he announces that the next convention meeting will be held in May. Secretary W. H. Moore gave his conception of the purposes and value of the association. There is reproduced the report of the Milwaukee Better Business Bureau on the Associated Adjusters of Milwaukee.

Members are advised that an effort is being made to compile complete information about the efforts of bar associations throughout the country to bring about a situation whereunder only attorneys might serve as adjusters. Later the association intends to publish a complete survey of the problem.

There is an interesting analysis of the adjustment procedure under a single interest collision loss. News is given of the activities of state associations of independent adjusters. M. J. O'Brien & Co. of Chicago give a digest of some interesting cases and there is a "funny page."

Agents Oppose Commission Cuts at New York Hearing

ALBANY, N. Y.—Agents in opposing commission regulation at a hearing here of the Piper insurance code legislative committee attacked company expenses and fleet control of companies.

Edward S. Poole of Edward S. Poole & Co., Albany agents, attacked the proposed new section 71 which provides for filing of rates and rating information as to fire insurance with the superintendent of insurance. "In the first place we believe that we should have as agents the free right of contract with our principals, the insurance companies; that no part of the contract should be restricted, as it would with this proposed provision. In the second place we are opposed to the principle of further injection of government and state into private business. We are confident that the inevitable result of the fixing of commissions would be the lowering of the commissions to the agents producing the business. We do not believe as agents that the law should step in and fix the maximum return to us."

Income Is Lowered

He declared there had been a general decline in commissions the past 10 years and that taxes, expenses of servicing risks had increased and since the depression premium incomes had been lessened.

Chairman Piper asked what the effect would be if the public knew that 50 percent of the premium cost went for expenses, to which Mr. Poole replied: "I think the situation could be explained to them; they all know that 60 percent of the cost of building a home goes to labor."

Peter D. Kiernan of Rose & Kiernan, Albany, stressed the growth and development of the fire companies in the state and declared that the earlier companies were one-man companies. He attacked the fleet system as being responsible for the high expense ratios. "We know that the expense ratio has increased the past ten years from 36 to 48 percent," he said.

He deplored the penalizing of all agents because of the situation in Rochester where agents are receiving an excess 5 percent commission. "The premium income in Rochester amounts to \$1,500,000," he said, "and 5 percent of that is \$75,000. I cannot understand why Superintendent Pink thinks the commission is the only item that affects the rate. If he was arguing for a maximum expense ratio or arguing that the company officials receive excessive salaries, I would go along with him on that but if that was involved this room would be filled with protesting company officials. The big companies are all in favor of commission regulation; they want you to pull their chestnuts out of the fire. We are fussing about commissions because there is a \$75,000 increase in cost in Rochester."

Points to Fleet Control

"A 12 percent increase in expense ratio on the basis of \$750,000,000 in premium income amounts to \$90,000,000. Why should we be so exercised about the \$75,000 item and ignore the \$90,000,000 increase?" Mr. Kiernan declared that the enactment of the new provision would preclude a new company from entering New York state, would lead to the increase in powers of the fleet companies through the absorption by one fleet of another. "We now have 60 fleets that control 250 companies but if you pass this legislation you will have about 10 groups that will control all the companies." He declared with \$90,000,000 increase in expenses there has been no increase in commissions to agents.

Mr. Kiernan told of the cost to agents in servicing risks, in getting the insured to install sprinkler systems which decrease premium costs and at the same time decrease incomes to agents. Mr. Kiernan declared the biggest fire losses

today are churches. "There are no fire-proof churches," he said.

J. A. Van Wie, representing the Troy Underwriters Association, said he thought the public was getting to a point where they are somewhat skeptical about the lawmakers. "There has been a rise in agency expense," he said, "but not in the premiums received. Stocks in stores and manufacturing plants are not nearly so great as before the depression." He did not see any reason why there should be reduction in commissions. Increased taxes also reduce the agents income, he said.

Philip W. Fenster, president of the Albany Board, declared that it cost the agents 10 percent of the 20 percent they receive for office expenses. On the proposal to require life agents to take a written examination, he wanted the agent to serve an apprenticeship of two months with an agent prior to taking an examination to determine if fitted to engage in the business.

To the proposal to make the broker the agent of the company, in so far as responsibility for the collection of the premium is concerned and its payment to the company, where the broker makes delivery of the policy, Mr. Kiernan objected. He suggested if this provision is to be included in the new code that it be made applicable only to greater New York as he said that upstate less than 5 percent of the business outside of Buffalo was handled by brokers.

J. H. Soden of the Cohoes Underwriters endorsed the comments of the other speakers. He wants legislation to compel all companies to contribute to the expenses of the rate making boards. He also attacked the excessive salaries paid to insurance company officials, many of which were family companies, as contributory causes to increased expense ratios.

Leonard L. Saunders, executive secretary, and Theodore L. Rogers, president of the Insurance Federation of New York State, were watchful listeners.

Brown Takes Up Lloyds Work

FRANKFORT, KY.—Charles I. Brown, former deputy insurance commissioner of Kentucky, has now taken up his new duties as attorney-in-fact for London Lloyds and will maintain headquarters here and at Louisville. He had been with the Kentucky department since 1924 and was acting commissioner for a short time after Governor Chandler took office.

Two New I. A. C. Members

Raymond D. Parker, publicity representative of Crum & Forster, and Harry V. Carlier, advertising manager of Northern Assurance, have joined the Insurance Advertising Conference.

Savannah Actively After the Midyear Meeting

SAVANNAH, GA.—The members of the Savannah Local Board of Fire & Casualty Underwriters are making strenuous attempts to secure the midyear convention of the National Association of Insurance Agents. J. M. Jones of Haines, Rankin & Co. is local board president and is backed by J. W. Carswell of John D. Carswell Co., who is second vice-president Georgia Association of Insurance Agents. The hotels, however, are crowded until April 15 by people coming from southern points north en route home. The midyear meeting would have to accommodate itself to the hotels. Some years ago the annual meeting was held here and the left wing of the DeSoto Hotel, convention headquarters, caught fire the afternoon following adjournment, resulting in much confusion and many losing their baggage.

Forbush Retires After 50 Years in Salvage Line

W. P. Forbush, who is retiring as manager of the Underwriters Salvage Company of Chicago, about a month ago completed 50 years in the salvage business. He is 76 years of age and although in the last two years his health has been uncertain, he is presently feeling trim and expects to stay on the job for some time, helping his successor, Marvin Brownlow, formerly of Springfield, Mo., to become familiar with the operations.

Mr. Forbush's choice of an occupation was quite a disappointment to his father, who was a prominent Unitarian minister in Chicago and had hoped that his son might follow in his footsteps.

Joined Samuel Gans Co.

After a few years experience in positions with merchandising firms in Chicago and Detroit, Mr. Forbush in 1887 joined the Samuel Gans Company of Chicago. This was an independent salvage company that enjoyed the major share of the business of insurance companies in the middle west. The Gans family were parishioners of the senior Forbush. The Gans people were located in the same building in Market street, Chicago, with the George P. Gore Company, merchandising auctioneers.

Mr. Forbush's position was floor cashier on sales for the Gore Company. He describes his function as that of intermediary between the Gans and the Gore organizations.

The two organizations handled a considerable volume. In addition to salvage merchandise, another source of business was what are now known as seconds. In those days manufacturers never put out seconds under a different name. They would ship imperfect merchandise, particularly hosiery, shoes and underwear to the Gans people.

Potentialities Were Great

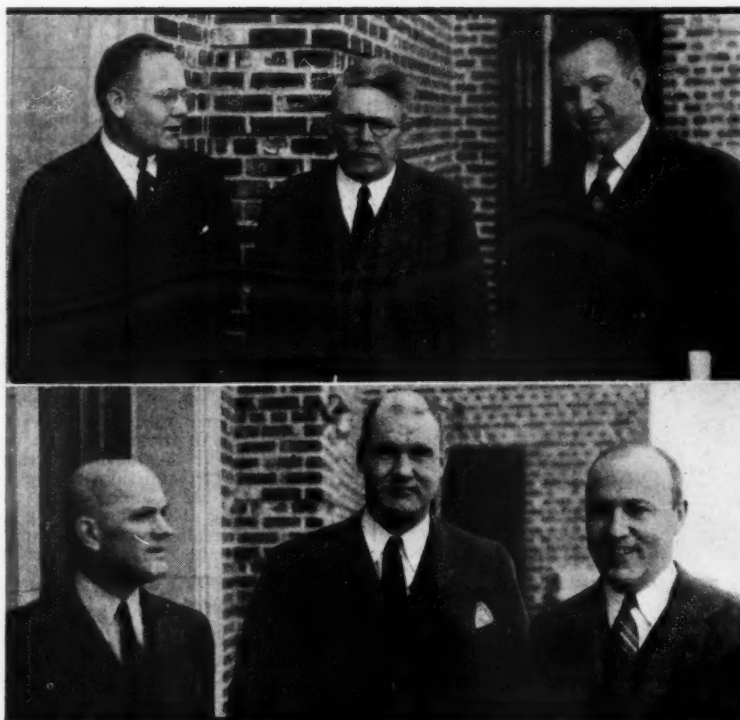
The potentialities were great in those days. There were many manufacturing concerns and wholesale houses in Chicago and the middle west that subsequently have gone out of existence. The Gans organization concentrated in western territory but extended their operations wherever they could. Later they opened a branch in New York.

The Gore organization failed and Mr. Forbush remained with the Gans house until the western managers of the fire companies began to discuss the idea of setting up a salvage company under the control of the insurance institution. Such an organization had been created in New York.

In 1905 Mr. Forbush severed his connection with the Gans organization and for a year was in conference with the western managers about the project. W. S. Warren, who was western manager of the Liverpool & London & Globe, was chairman of the committee that was made responsible for setting up the new organization. The plans were well prepared and the time had just about come for action when the San Francisco disaster occurred. That caused the salvage company project to be put on the shelf for the time being, but Mr. Warren was enthusiastically in favor of the project and as soon as the business had regained its equilibrium he pressed for consummation of the salvage company project. The Gans people throughout were hostile to the insurance company project and sought to block it. Incidentally about two years after the Underwriters Salvage Company of Chicago was established, the Gans organization went out of business.

Mr. Warren was the first president of the Chicago Salvage Company. E. G. Halle, manager of the Germania, was the first vice-president; S. A. Rothermel, secretary of the Traders, was sec-

At University Teachers Meet



Top row—Dr. David McCahan and Dr. S. S. Huebner, University of Pennsylvania, and Prof. Edison L. Bowers, Ohio State University.
Bottom row—R. B. Robbins, vice-

president and secretary Teachers Insurance & Annuity; J. Victor Herd, vice-president Fire Association of Philadelphia, and J. J. Magrath, Chubb & Son, New York.

retary, and P. D. McGregor, manager of the Queen, was treasurer.

John J. Purcell, who was connected with the western department of the Hartford Fire, was selected as the first manager. His son is now assistant manager of the Hartford loss department in the west. Mr. Forbush was the assistant manager and besides Mr. Purcell and Mr. Forbush there were only three other employees. The first office was at 769 West Adams street, the second floor being occupied.

At the end of the year, Mr. Purcell went back to the Hartford and from April 1 to Oct. 1 of 1907, Mr. Forbush served as acting manager. At that time W. W. Thomas, an appraiser and thorough merchandising man of Minneapolis, became the manager. He served from 1908 until he died suddenly in 1914. Mr. Forbush was then appointed manager. In the meantime the salvage company had rented a portion of a building at 771 West Jackson boulevard and it finally occupied that entire building. It was located there for 20 years until Dec. 13, 1928, when the company moved to its own, modern structure in Laflin street.

Succession of Presidents

Mr. Warren served as president from 1906 to 1910. H. C. Eddy, western manager of the Commercial Union, served from 1910 until 1928; C. W. Higley, who was president of the Hanover, was president of the salvage company from 1928 to 1936. J. C. Harding, executive vice-president of the Springfield, is now president.

Mr. Forbush recalls that the period from 1910 to 1925 was the busiest time in salvage operations. Occasionally the salvage company had to rent three or four outside buildings in order to handle the volume. There has been a constant decline in volume since the new building was occupied.

Mr. Forbush attributes the decline in salvage volume to the radical change in building construction with fire protection features in the building; to the great improvement in fire fighting equipment; to the installation of fire insurance pa-

(CONTINUED ON PAGE 13)

U. S. Atkinson, Veteran Fire Company Executive, Dies

NEW YORK—Ulric S. Atkinson of the Great American was stricken with a heart attack while on the way home Dec. 29, and died before medical aid was available. He was 67 years old.

Mr. Atkinson was particularly well known to fire men of the south by virtue of his service as assistant manager of the southern department of the Royal for a number of years, under Manager Milton Dargan.

A native of Atlanta, he began his business career in the southern department in that city of the North America, of which the late Capt. E. S. Gay was then manager. Some time thereafter he went with the southern department of the Liverpool & London & Globe at New Orleans, going thence to the Royal divisional office at Atlanta. While assistant manager of that company Mr. Atkinson employed as its Texas state agent C. F. Thomas, now manager of the Western Underwriters Association, for whose ability he had a high regard.

After leaving the Royal, he was for a time with Marsh & McLennan in Chicago, and later became an official of the United States department of the Union of Canton. When that company withdrew from the fire field here, Mr. Atkinson became secretary of the Public Fire of Newark, his next and final association being with the Great American, in charge of its credit department.

Cohen Group Avoids Forfeit in Fidelity Fire Deal

NEW YORK—The default in the deal under which the Frank Cohen interests are buying the Fidelity Fire of Atlantic City, which in turn controls the Reserve Loan Life of Indianapolis, has been taken care of by an arrangement between the Cohen group and the Guarantee Trust Company of Atlantic City, which owns or controls a large majority of the Fidelity stock. While trust company officials intimated that an arrangement had been made and that the deal is still on, they were reluctant to discuss details, saying that further information should come from Mr. Cohen. At Mr. Cohen's New York City apartment it was said that he is out of town.

The Cohen group contracted with the Guarantee Trust Company and a number of other stockholders of the Fidelity to buy between 51 and 75 percent of the outstanding stock at \$8 a share. Of this, 40 percent was paid in cash, with another installment of 30 percent to be paid by Dec. 24 and the rest some months later. Failure to meet the Dec. 24 installment made the entire first payment subject to forfeit had the trust company and other stockholders wished to stand on their technical rights.

National Inspection Co. Change

Frank B. Nelson has resigned as resident inspector for the National Inspection Co. in Indiana to go with the Pittsburgh Coal Co., at Pittsburgh, in its insurance department. W. H. Reeds, formerly with the Hartford Fire Cook County, Ill., office, has joined the staff of National Inspection Co. to fill the vacancy.

Rooks Acting Commissioner

FRANKFORT, KY. — Sherman Goodpaster has resigned as insurance commissioner to become chief clerk of the Kentucky senate during the legislative session.

Governor Chandler has appointed Vernon D. Rooks of Paducah as acting commissioner. He is actuary in the insurance department. The governor announced he planned to reappoint Mr. Goodpaster at the end of the legislative session.

A manual for local agents—"Right to the Point"—contains rules, methods, requirements, principles of agency practice, 75 cents. The National Underwriter.

Attorneys Ask \$45,000 Fees in MLU Litigation

KANSAS CITY—A total of \$45,000 in attorneys' fees has been applied for in circuit court here in the Manufacturing Lumbermen's Underwriters case. Affairs of the reciprocal are being wound up in the state court here, although still pending is an involuntary bankruptcy suit appeal in the federal appellate court.

Firms Ask Large Sums

Aylward, Aylward & O'Brien (Terence O'Brien and J. A. Aylward), and Ringolsky, Boatright & Jacobs are asking for a joint fee of \$25,000. Howell & Jacobs (Charles M. Howell and Floyd Jacobs) has applied for \$20,000 for their representation of the advisory committee of the reciprocal. Ringolsky, Boatright & Jacobs were employed by R. E. O'Malley, former insurance superintendent, in the two federal bankruptcy actions against the MLU. The Aylward and O'Brien claim is for services to O'Malley throughout the litigation.

Attorneys for Superintendent Robertson indicated they would not oppose allowance of fees but would oppose excessive fees. W. H. Becker, one of the Robertson attorneys, questioned Charles M. Howell about the American Reciprocal Association, which collects 1 percent from exchange members for legal and other services.

Paid \$15,000 Fee

The application of Howell & Jacobs was opposed by Mr. Becker and by Jules E. Kohn, for the Pearl group and the National F. & M. Mr. Becker elicited testimony that MLU, through its membership in the American Reciprocal Association, already had paid Howell & Jacobs over \$15,000 the first three-quarters of 1936, and that even if the firm of Charles M. Howell and Floyd Jacobs had done the work they claimed to have done, they already had been paid for it. In addition, Becker charged that the firm represented individuals and is not entitled to any fee out of the reciprocal's estate.

DO YOU BELIEVE IN SIGNS?

A sign of an up to the minute agent is one who knows all the latest insurance coverages - - - and uses this knowledge to win new clients.

A Neon Sign policy has often secured a merchant's entire insurance account.



America Fore Insurance

THE CONTINENTAL INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,



and Indemnity Group

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY

BERNARD M. CULVER, President
FRANK A. CHRISTENSEN, Vice-President

New York, N.Y.

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

AS SEEN FROM CHICAGO

WESTERN ADJUSTMENT EXPANDS

The head office of Western Adjustment in the Insurance Exchange, Chicago, is being expanded by the addition of about 1,400 square feet adjacent to the present quarters. The new space will be used by the Cook county fire loss adjusting staff.

DALMAR OFFICE REHABILITATED

H. Dalmar & Co., one of the oldest Class 1 agencies in Chicago with offices in the Insurance Exchange, has just completed a rehabilitation of its office interior. Modern office furniture and equipment has been installed throughout and arranged in efficient manner. The splendid service to brokers and agents, inaugurated by its founder, the late Hugo Dalmar, is being continued under the direction of Mrs. Dalmar, through the cooperation of an efficient personnel, many of whom have been associated with the firm from 15 to 30 years.

VISIT A. D. T. HEADQUARTERS

A group from the Chicago office of the Hartford Accident visited the American District Telegraph Company's Chicago operating room and demonstrating laboratory in Chicago as the guests of R. E. Maginnis, special engineer.

A. E. HENDRICKS BUYS A BIRD

Allen E. Hendricks, chief engineer of the Pearl-American fleet at the New York office, spent the Christmas week-end with relatives in Chicago and paid \$2 cash for a turkey which weighed exactly as much as two Chicago telephone directories. The bird was donated to Western Manager Vincent L. Gallagher of the Pearl by Rudolph F. Wandke and Leslie Cook of the Eliel & Loeb agency at Chicago. First it was

raffled, and Mr. Hendricks being in a generous mood undertook to buy it for cash when the winner turned out already to have a turkey for the holidays. In addition to the weight of the telephone books the turkey also weighed as much as the head and feet of an actual bird. The head and feet were not printed matter.

FORMING 40 BOWLING TEAMS

Chicago insurance men plan to compete in the American Bowling Congress national tournament in the Coliseum March 3-April 11. Entries are being taken in the "booster" classification, in which teams must average under 850 pins. Some 29 insurance offices took part in the last A. B. C. tournament held at Chicago in 1929. J. A. Lawlar, A-2101 Insurance Exchange, Wabash 9315, and E. Mueller, Chicago Board, have undertaken the task of getting together 40 insurance teams this year, composed of agents and company men. There will be 40 alleys in the Coliseum. Entries close Feb. 1 and it is hoped to complete the insurance squad by Jan. 15. There will be \$500 in prizes for competition in the "booster" classification.

McCLURE'S TERRITORY EXTENDED

Rush B. McClure of Chicago, heretofore general agent for the Royal Exchange, has been advanced to the newly created position of branch manager, supervising Illinois, Indiana, Wisconsin and the Dakotas. He has been with Royal Exchange since 1925, first as Indiana state agent and since 1929 as Chicago general agent. After attending Indiana University and Wabash College he joined the western department of Springfield F. & M. in Chicago. He later became connected with the National Inspection Company in Indiana. As general agent for Royal Exchange

he was responsible for Illinois, Indiana and Wisconsin.

The various changes at the United States head office of Royal Exchange have now become effective. E. W. Elwell has assumed the position of United States manager succeeding Arthur Waller and the other changes, previously announced, became effective.

Mr. McClure's office in the Insurance Exchange this week was banked with flowers sent to him by well wishers.

BROWNLOW ARRIVES IN CHICAGO

Marvin Brownlow arrived in Chicago this week to take his position as the new manager of the Underwriters Salvage Company of Chicago. He has been located in Springfield, Mo., and has had a successful record as a merchandiser and dealer in salvage and bankrupt stocks. John McGregg of Springfield becomes Mr. Brownlow's assistant.

AETNA FIRE CHICAGO ROUNDUP

Field men in the western department of the Aetna Fire are in Chicago this week for a three-day conference with head office and western department officials. On Wednesday, the field men had a meeting by themselves and on Thursday and Friday they will be in session with officials and department heads. About 100 are attending the various sessions. A dinner is being held in the Union League Club Thursday evening and Western Manager W. N. Achenbach will preside.

The head office is represented by President W. R. McCain, Vice-presidents J. M. Waller and Frank G. Bush and Secretary G. G. Quirk.

The field men in the head office territory will gather in Hartford for their annual get together the week of Jan. 17.

ANNUAL VENISON DINNER

P. M. Schoenberg, well known Chicago adjuster, was host at an old fashioned venison dinner which was attended by many friends, most of whom are in

the insurance business. Mr. Schoenberg has popularized these annual affairs by serving a different form of wild meat each year. A special prize for recovery of the first "ball bearing of the truck that killed the deer" was awarded to Col. P. P. Stoopnagle of Hampshire, Ill., the town in which Mr. Schoenberg resides and is one of the important citizens and assistant chief of the volunteer fire department. Guests uncovering the remaining 13 ball bearings were given ringside tickets for the Louis-Schmeling championship bout which Mr. Schoenberg said he hoped would be staged in Chicago in 1945. Musical entertainment, refreshments and souvenirs were features of the party.

Scrolls Are Awarded

As chairman of the fire insurance division in the recent drive for funds to support the voluntary hospitals of New York City, H. E. Bilkey, vice-president of the Stuyvesant, has been presented with a parchment scroll from the general chairman of the fund. Associated with Mr. Bilkey as divisional chairmen were: W. P. Kingsley, New York Life; R. G. Engelsman, Penn Mutual Life; H. T. Chester, Chubb & Son, and L. J. Rice of the brokerage firm of Hagedorn & Co.

A. Duncan Reid, president Globe Indemnity, also was awarded a parchment scroll.

As a result of the drive over \$2,000,000 was raised, which will be distributed among the 92 voluntary hospitals of the city.

Earl E. Fisk, prominent Green Bay, Wis., agent, met with a peculiar accident two days before Christmas. As he was leaving his office building he stepped down on a small round flashlight battery, slipped and came down on his knee, tearing the muscle from the knee cap. Monday the necessary operation of sewing the muscle back was successfully performed and Mr. Fisk is now on the way to recovery.



NORTH STAR INSURANCE COMPANY

Reinsurance of Fire and Allied Lines

90 JOHN STREET, NEW YORK

200 BUSH STREET, SAN FRANCISCO

NEWS OF FIELD MEN

Street Presents Harvey to Wisconsin Field at Lunch

MILWAUKEE—About 85 Wisconsin field men were guests at a luncheon here Monday of C. R. Street of Chicago, vice-president and western manager of the Great American. Mr. Street took this occasion to introduce to the Wisconsin field forces Walter A. Harvey, formerly the Great American state agent in Iowa, who has been transferred to Wisconsin in the same capacity. Mr. Street invited all the field men in the state to be his guests. Mr. Street made a brief talk in introducing Mr. Harvey and a talk welcoming Mr. Harvey to the state was made by C. H. Dachenbach, Crum & Forster, in behalf of the Wisconsin Fire Underwriters Association. E. F. McAdow, field superintendent of the Great American, accompanied Mr. Street to Milwaukee.

Byrne Joins Eagle Star in Iowa and Nebraska

Robert M. Byrne has been appointed Iowa and Nebraska state agent for the Eagle Star, succeeding C. E. Mettel, resigned. Mr. Mettel is joining the Mettel Realty & Investment Co., Dubuque local agency, conducted by his father and uncle.

Mr. Byrne has been with the Michigan Inspection Bureau for nine years, specializing in the inspection and rating of properties, both sprinklered and unsprinklered. A native of Illinois and a graduate of Champion College of Wisconsin, his earlier insurance experience was with Johnson & Higgins. He will have headquarters in the Redick Tower, Omaha.

New Iowa-Nebraska Setup

Louis Shine recently resigned as special agent in Nebraska for Northwestern National Fire. The Nebraska and western Iowa territory has now been combined under W. L. Rae, who has shifted his headquarters from Des Moines to Omaha.

Mr. Shine is located at the Fort Dearborn hotel, Chicago, and is investigating field opportunities in the west. He has had 14 years' field experience in a number of western and mountain states as well as having been connected with the Missouri and Nebraska inspection bureaus.

Plan Indiana Functions

The mid-year meeting of the Indiana Fire Underwriters Association will be held Jan. 17 at the Indianapolis Salvage Corps. G. L. Heinz, president, reports a special speaker will discuss some live topic. This will be one of the four meetings of the year under the new program supplanting monthly meetings so a large attendance is expected.

The annual dinner-dance of the Indiana Blue Goose will be held in Indianapolis, Feb. 12. A special effort will be made, says D. L. Jones, most loyal gander, to bring to Indianapolis out-of-town members. J. W. Besterman is in charge of arrangements.

L. R. MacDonald Resigns

L. R. MacDonald, 2440 North 63rd street, Milwaukee, has resigned as special agent in Wisconsin, Minnesota and the upper peninsula of Michigan for the Dubuque Fire & Marine. He is an experienced field man and is well known in the territory.

Mr. MacDonald served for more than seven years as Wisconsin special agent for the Dubuque. Previously he served in the same capacity for National Union Fire for three years. His earlier experience included two years in the engineering department of Travelers Fire and two years with Underwriters Adjusting.

"Blue Goose Feathers" Is Publication of Carolinas' Pond

In recent months two or three Blue Goose ponds have started publishing house organs. In a recent issue the Kentucky, Seattle and California ponds were listed as getting out such bulletins.

In this list "Blue Goose Feathers," the publication of the Carolinas' pond

was inadvertently overlooked. J. F. Satterlee of Columbia, S. C., wielder of the Carolinas' pond, originated the idea of the house organ and has been its editor. Apparently "Blue Goose Feathers" was the first of the pond publications. The first issue was published in September, 1936.

"Blue Goose Feathers" is an attractive four page publication, containing news of pond activities, personals about members and inspirational material.

Paul M. Beattie in Full Charge

Paul M. Beattie is assuming full charge of the Kentucky field for New

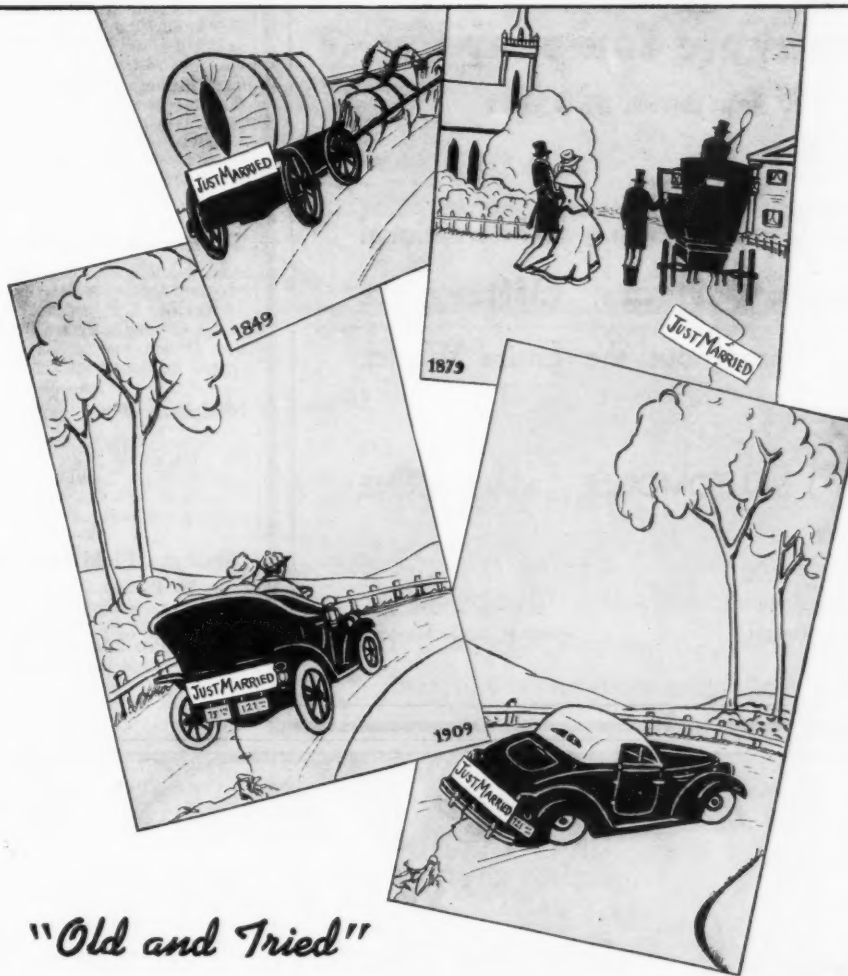
York Underwriters upon the retirement of John P. Young, state agent. Mr. Beattie has had the title of state agent and now takes full charge in the field. Mr. Young is retiring on pension. He has been in the field for New York Underwriters since 1913, except for a six months period as Louisville manager of the Southern Adjustment Bureau.

H. W. Cooley Is Advanced

Harry W. Cooley, special agent of the Travelers Fire and Charter Oak Fire in Oklahoma, has been promoted to assistant manager at Oklahoma City. He will work in conjunction with D. W.

As the sands of time record the beginning of the New Year, the FOURTH GENERATION is choosing

Glens Falls INSURANCE



"Old and Tried"



DURING THE GOLD RUSH DAYS OF '49
THE GLENS FALLS MADE ITS BOW

Glens Falls
INSURANCE COMPANY
Glens Falls, New York

COMMERCE
INSURANCE COMPANY
Glens Falls, New York

Glens Falls
INSURANCE COMPANY
Glens Falls, New York



Whitehurst, manager of the Travelers and Charter Oak at Oklahoma City. Before he became a member of the Travelers organization ten years ago, Mr. Cooley became well known to Oklahoma agents as a member of the Oklahoma Inspection Bureau.

Wisconsin Underwriters in Semi-annual Meeting

MILWAUKEE—The Wisconsin Fire Underwriters Association held its semi-annual meeting here. Committees reported and plans were discussed for Business Development activities. President C. H. Dachenbach, Crum & Forster group, presided, welcoming members of the Milwaukee Board and engineers of the Fire Insurance Rating Bureau at a joint meeting preceding at which the

Underwriters' Laboratories sound movie was shown.

A "past president's" dinner was held honoring Thomas Larkins, Hartford Fire, who was presented a gold emblem as immediate past president of the field men. The committee in charge included Charles Dox, London & Lancashire; Nelson Lane, St. Paul Fire & Marine, and Henry Busack, Norwich Union.

Fireman's Fund Roundup

The annual roundup of the Fireman's Fund western department will be held in Chicago Jan. 17-19. R. V. Goodwin, vice-president in charge of the eastern department of the Fireman's Fund Indemnity, will attend among other officials of both companies, and take part in the program. S. M. Buck is manager of the western department. John Pabst of the casualty division, and E. D. Law-

son of the marine department. Mr. Goodwin will spend several days conferring with Manager Pabst on production plans for 1938.

Hughes with Home on Coast

John E. Hughes has been appointed special agent and engineer for the Home of New York and Franklin Fire with headquarters in San Francisco by C. D. Lasher, manager.

He was formerly with the Commercial Union fleet as engineer. He started in the business in 1919 with the Great American in San Francisco, later joined the Pacific Board and in 1936 went with the Commercial Union.

Maine Field Men May Organize

Field men traveling in Maine were invited to meet in Portland this week to consider the advisability of forming a field club, similar to those in several other New England states. Commissioner Lovejoy was scheduled to address the gathering.

Schedule Inter-Pond Meeting

The Tennessee Blue Goose will hold its second inter-pond good-fellowship meeting at Chattanooga, Jan. 20, to which are invited all ganders in the neighboring states, complimentary to Ben S. McKeel, grand keeper.

Farewell for P. F. Conley

A farewell dinner was given for Philip F. Conley by 50 field men and friends in Columbus prior to his departure for Chicago to become manager of the Chicago brokerage office of the Aetna Fire. He has been a special agent in Ohio. A. R. Gibson of the Buckeye Union Fire was toastmaster and arranged a very enjoyable program. E. A. Reid, London Assurance, on behalf of Conley's Ohio friends, presented him a desk set.

To Inspect Zanesville, O.

H. K. Rogers of Chicago will be one of the speakers at the inspection of Zanesville, O., Jan. 21. W. W. Waters of the Ohio Farmers represents the Ohio Fire Prevention Association on the committee in charge of arrangements.

Michigan Pond Aids Charities

Following its annual holiday custom, the Michigan Blue Goose presented checks to the Salvation Army and Volunteers of America to provide Christmas dinners for indigent persons.

Michigan Field Man Dies

A. E. Ellsworth, 51, special agent of the survey department of the Hartford and Citizens in Michigan and central and western Ohio for many years, died at his home at Pontiac from heart trouble.

He had been with the Hartford and Citizens more than 20 years, first as spe-

J. B. Finnegan, Jr., Joins Crum & Forster in Indiana

INDIANAPOLIS—J. B. Finnegan, Jr., has been appointed special agent and engineer for the Crum & Forster companies in Indiana. He is a graduate of the Armour Institute of Technology of Chicago, in which institution his father, J. B. Finnegan, Sr., is a professor of fire protection engineering. Mr. Finnegan has spent the past two years as field representative of the Western Factory Association and prior to that was for four years with the Illinois Inspection Bureau. R. O. Richards is Indiana state agent of the Crum & Forster group.

cial agent for Michigan and some 15 years ago the central and western Ohio territory was also placed in his charge. During his illness R. F. Sesterhenn, special agent for the lower peninsula, has been covering Mr. Ellsworth's territory.

Voorhees to New Jersey

Winthrop Voorhees, who has been in the Ohio field for the American about a year, has been transferred to New Jersey with headquarters at the home office. He will assist Special Agent Samuel Reiter who supervises northern New Jersey. Mr. Reiter now has four assistants.

Sunflower Puddle Stag

The Sunflower Blue Goose puddle held its annual New Year stag party in Wichita. George Freese, St. Paul Fire & Marine was in charge. Col. Sam F. Woolard, retired state agent Commercial Union, was a guest.

A baby boy has arrived in the Indianapolis home of W. C. Teuter, Indiana special agent of the Ohio Farmers.

Beling to Talk in Lansing

LANSING, MICH. — Organized agents of the central Michigan district and Michigan Association of Insurance Agents leaders are being invited by the Lansing association to attend a dinner meeting here Jan. 11 addressed by Oscar Beling of New York, special representative of the Royal-Liverpool group. Mr. Beling, who spoke at the Grand Rapids convention of the state association last fall, will talk on "Office Management and Routine as Applied to Insurance Agencies."

Because the Lansing association was able to obtain Mr. Beling for the Jan. 11 date, Waldo Hildebrand, new field secretary of the Michigan association, who was to have given a talk at that meeting, has deferred his appearance.

345 of your questions answered in Right to the Point. \$1. National Underwriter.

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LOSSES PAID SINCE ORGANIZATION \$34,945,000

The HANOVER FIRE INSURANCE COMPANY of New York Montgomery Clark, Pres.

Premium Finance Plan for Local Banks Now Ready

(CONTINUED FROM PAGE 3)

secure the blanks, without the certification, so as to prepare the forms in their own office and save the bank the work.

A rate chart is provided which gives the amount of each installment at 6 percent interest on plans for different numbers of installments and for the various term policies.

Dates Back to 1925

The history of the development of this financing program dates back to 1925, when Mr. Stevens copyrighted a note form that is still in use by more than 1,000 agents throughout the United States. That form requires the endorsement of the local agent, and uses up his credit line. In 1935 Mr. Stevens developed a new plan, whereby local banks could continue to make this class of loan, but without the endorsement or guarantee of the local agent. This program was submitted to the Insurance Executives Association. Shortly thereafter, the St. Paul Fire & Marine, a member of the Insurance Executives Association, announced a premium financing program in conjunction with the First Bancredit Corporation, with which it is closely allied. The principal part of their program was a letter agreement given by the St. Paul to the First Bancredit. Many companies hastened to advise their agents that they too had agreed by letter to pay a return premium to the First Bancredit in the event of default and cancellation. Thus Mr. Stevens' original letter idea became a general practice among insurance companies for one finance company exclusively.

Exchange of Letters Simplified

There were difficulties about each company notifying each of the 18,000 banks in the country of their cooperation. Early in 1937 Mr. Stevens simplified his system and developed the present plan. The exchange of letters between hundreds of insurance companies and 18,000 banks would run into millions of letters. The present plan requires only a letter from each company, say a few hundred, and a letter to each bank that wishes to secure the local finance business, instead of 4,000,000 to 6,000,000 letters.

The advantage to the bank is that the security is perfect. It gets gilt edged 6 percent loans.

Many agents will see an advantage in bringing their local banks such a fine class of business. Others will value the convenience of having the financing done locally.

Riot Coverage in Period of Transition During 1937

(CONTINUED FROM PAGE 4)

early part of 1937. They thus avoided tripled rates that were instituted in Detroit and Wayne county, Mich., in March.

Despite its seeming hazard, riot and civil commotion has proven a profitable line of coverage for companies writing it, though the volume of premiums is not large. A stimulation of this volume was anticipated at the start of the 1937 strike period but the expected demand failed to materialize. At the end of the year the demand for coverage practically ceased, it is reported. Some attribute the falling off to the belief that some 85 to 90 percent of the concerns are insured

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by companies in the Western Factory Association and are already protected under the various special supplemental contracts.

Seek to Compel Companies to Pay Missouri Costs

JEFFERSON CITY, MO.—The Missouri department has filed a motion in the Cole county circuit court to compel the 74 affected fire companies to replenish the \$1,785,000 of excess premiums impounded by the court in the state case involving the 16½ percent increase in rates put into effect in 1930. The Missouri supreme court recently ruled that all of the premiums should be returned to policyholders.

Up to Nov. 1, last, a total of \$132,000 had been spent out of the fund to cover the administrative expenses of Circuit Clerk Sone as custodian of the premiums. The department contends the companies should be held responsible for the expenditures on the ground that they "wrongfully and illegally collected the excess premiums and wrongfully caused the transfer of the excess premiums to the custodian."

The motion also asks that the companies augment the \$1,785,000 with interest at the rate of 6 percent.

In separate proceedings before the Missouri supreme court the companies have joined with the department in an appeal from fees allowed Judge Sevier in the restitution case that grew out of the old 10 percent rate litigation of 1922-1929.

A report filed by H. P. Lauf and L. H. Cook, custodians and commissioners in the restitution case on December 31 revealed that \$88,751 had been refunded to policyholders while the total cost was about \$243,000.

Freilich Has New Post

P. W. Freilich has been appointed as head of the underwriting activities for Corroon & Reynolds Cook county department in Chicago. He succeeds Roger Lochhead, who has been transferred to the Oklahoma field as special agent. Mr. Freilich after graduating from college went with the western department National of Hartford where he remained for 13 years as assistant to H. G. Freitag, manager brokerage department. Mr. Freilich assumed his new post the first of the year.

Bridges' Condition Encouraging

L. H. Bridges, assistant manager of the Home's hail department in Chicago, is reported to be making encouraging progress towards recovery from a stroke suffered about two weeks ago. He is in St. Francis hospital, Evanston, Ill.

Two Mountain Field Assistants

Following the retirement of W. T. Christopher as assistant manager of the Rocky Mountain department of the American of Newark group, Manager J. L. Reams has named as successors R. B. Daniels and C. S. Housman, who will divide the work. Mr. Daniels was previously special agent, while Mr. Housman is a graduate of the home office and familiar with the mountain field.

Columbia of Dayton Setup

Forrest E. Beachler, secretary of the Columbia of Dayton, of the American of Newark group, has been appointed manager of the Dayton department as well, succeeding in the latter connection the late P. A. Gregory. Ford Stacey is named assistant departmental manager.

Four Licensed in Minnesota

Four companies were licensed this week by the Minnesota department. They are: Hope Mutual Fire and What Cheer Mutual Fire, both of Providence, Capital Fire of California and Seaboard, Baltimore.

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EDITORIAL COMMENT

New Philosophy in Company Rehabilitation

THE decision of the California supreme court in affirming the decision of the lower court in the PACIFIC MUTUAL LIFE case holding that Commissioner CARPENTER followed a legal, justifiable and intelligent procedure in rehabilitation when it became apparent that the old company would collapse because it had not put up sufficient reserves for its non-cancellable business, brings to the front a new point in dealing with cases of this kind.

The company could have been thrown immediately in the hands of a receiver or the department could have taken it over for liquidation. In this way policyholders would have lost much of great value to them. The court in its opinion recognized the fact that there was need for immediate action. If there had been a liquidation, policyholders would have been deprived of their protection. Therefore, the court concluded that the public has a grave and important interest in preserving the business, if that be possible. The court said that the old company was powerless to change the existing non-cancellable policies. The contract and due process clauses prohibited the company from making any changes. These prohibitions, the distinguished court

opined, do not apply to the state acting under its police powers. It was contended that the insurance code of California did not permit the rehabilitation of an insolvent company by the organization of a new company but the supreme court holds that the intent of the code is to preserve the business whenever possible and if to rehabilitate such business, a new corporation must be organized the power clearly exists.

In other words, the California supreme court recognizes the important public interest involved in a case of this kind. The policyholders of companies in other states confronted with exigencies could have had their interests well conserved if the California procedure had been followed. There is an immediate loss in case a company is placed in the hands of a receiver. If it can be continued under some form where the interests of policyholders will be conserved then a piece of constructive work is done. This feature in California is new so far as insurance is concerned. However, when an institution is so impressed with public interest that it should be kept together and continued if possible, the insurance department then steps in with its discretionary and police powers and can save the day.

Launching a New Insurance Company

THE organization of the BUCKEYE UNION FIRE of Columbus, O., running mate of the successful BUCKEYE UNION CASUALTY, brings out the thought that where a company has a well organized plant, is managed intelligently, conservatively and successfully it can open the way for an affiliate writing a different line of business and the chances are that it will be permanent. The BUCKEYE UNION FIRE as a strictly independent company might have very hard sledding. Hitched up as it is to the parent company, the BUCKEYE UNION CASUALTY, utilizing its office, official and clerical force and having the right of way

in many of its agencies, it gets a flying start at the very beginning.

The day for the organization of new companies is not closed. However, before a new company is established there certainly should be a survey as to its possibilities and a decision reached as to the wisest course to pursue. Ohio has been known for many years as the home of successful insurance companies. It is an insurance state of highest importance. As a usual rule its insurance companies have given an excellent account of themselves. Wherever there was capable management an Ohio company has proved successful.

A Man Must Do the Starting

THERE is no such thing as business starting itself. A salesman has to do the starting. He is called upon to turn the crank and get the machinery moving. Nothing

will be accomplished unless he sees that the operations are begun. Some seem to hold back and expect spontaneity to do the trick but it will never do it.

Magnificent Example of Compilation Work

THE largest state insurance directory published by THE NATIONAL UNDERWRITER is the "Underwriters Hand-book of Ohio." This is a marvelous compilation of insurance information for a state of immense insurance importance. The Michigan state reference book is the oldest one published by THE NATIONAL UNDERWRITER and then comes Ohio.

The work involved in compiling the Ohio information, in mobilizing it, in getting it together and whipping it in shape requires the most expert treatment. It is a book of some 850 pages. When the annual volume emerges there are very few inaccuracies, regardless of the tremendous detail involved in getting all the material under one cover. In compact form this reference book

is an illustration of modern, expeditious, accurate, painstaking intelligent compilation. It is with considerable pride that THE NATIONAL UNDERWRITER presents these state reference books because they

are gotten out in a practical way and anyone can soon become expert in getting the information that he wants in a short time. The statistical work is done at the Cincinnati office by those particularly trained.

PERSONAL SIDE OF BUSINESS

G. W. Campbell, Sr., with the Underwriters Salvage Company in Atlanta for over 30 years, died in Raleigh, N. C. Ill health forced his retirement several years ago.

The Meade Investment Co., local agency of Topeka, Kan., held its Christmas dinner party with 33 attending, including members of the firm, employees and field men that live in Topeka and call on the agency. Each guest received presents along with appropriate poetry. W. S. Whitford, former state agent of the Springfield, who has just joined Millers National as second vice-president, and Mrs. Whitford were special guests. Mrs. Holmes Meade and daughter Evelyn were also guests. This is an annual affair and has been conducted for the past 10 years. Holmes Meade is president.

R. D. Air of Kansas City, Kansas state agent for the America Fore, has been in Chicago over the holidays. He has been visiting his mother, who resides in Evanston, Ill., and is 86 years of age. She recently suffered a stroke.

George F. Cowee, vice-president of the National Fire, is bereaved because of the death of his wife. Mrs. Cowee died in New England Deaconess Hospital in Boston after a short illness.

H. H. Goddard, 80, veteran fire insurance man of Ogden, Utah, died at his home there from a heart attack. He was born in Salt Lake City and had been in the insurance business in Ogden for 40 years.

Simon Klotz, 82, Birmingham local agent and French consul there 44 years, has been made a Chevalier of the Legion of Honor. The French consul general at New Orleans will go to Birmingham soon to present the medal personally to Mr. Klotz.

This is the third decoration Mr. Klotz has received from the French government, the first a membership in the French Academy, and the second as inspector of the academy, all in recognition of services he has rendered his native country. Born in Nancy, France, Mr. Klotz came to the United States in 1871. He has been a local agent in Birmingham since 1886.

Superintendent Pink of New York, who underwent an appendectomy in Methodist Episcopal Hospital, Brooklyn, is reported to be showing continued improvement. Physicians are well pleased with his condition.

The "unknown" side of many Hartford insurance workers was recently revealed in a radio series—the Hobby House—over WTIC. The interrogator was Clarence T. Hubbard of the Automobile, quite a magical hobbyist. He was assisted by George Malcolm-Smith of the Travelers. Charles Davis of the Aetna bond department, interviewed,

told of collecting elephant hair. Benjamin Whory, Hartford Fire, studies Indian languages. Others built marionette shows, practiced ventriloquism, sailed model yachts and collected music boxes.

Byron R. Ward, vice-president of the Meade Investment Company, local agency of Topeka, who was recently elected president of the Topeka Junior Chamber of Commerce, will be installed at a banquet Jan. 19. He served as first vice-president the past year. The organization embraces a membership of more than 200. Mr. Ward was formerly state agent for the Law, Union & Rock and is a past most loyal gander of the Kansas Blue Goose. For the past two years he has been a member of the executive committee of the Kansas Association of Insurance Agents.

Harvey B. Martin, for many years identified with the insurance business in Indianapolis, died following a long confinement in the hospital as result of a broken hip. Until 1928, Mr. Martin had been branch manager and special agent of the Glens Falls for about 35 years. In recent years he had conducted a local agency.

Clyde B. Smith, Lansing, Mich., former president of the National Association of Insurance Agents, spent most of the recent holiday period in bed, after having been taken ill on Christmas day. An ulcerated tooth and a bad cold combined to prevent him from carrying on normal activities.

L. T. Estabrook, 54, died at Coronado Beach, Fla. He was secretary-treasurer of Lenihan & Co. of Cleveland, until his retirement five years ago.

LeRoy Scriven, 60, Wichita local agent for many years, died there following a short illness.

W. A. Manning, 91, local agent in Cleveland for 40 years, died there after a short illness.

D. L. Miller, an active local agent of Sterling, Ill., despite his 88 years, died the other day. He was almost exclusively a Fidelity-Phenix agent and he held the most distinguished service record of that company, his appointment dating from 1880. He controlled a sizable farm business and on his 88th birthday a few months ago drove over the country roads to visit clients. He was a prominent citizen of Sterling. Representing the western department of Fidelity-Phenix at the funeral were Clyde Edmundson, agency superintendent, and C. A. Alexander, farm agency superintendent.

Position of C. D. West

The statement that C. D. West, vice-president of the Eagle Fire of New Jersey, had been elected vice-president of the Sussex Fire is erroneous.

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COMPANIES

U. S. Branch of Pearl Gets \$1,500,000 from London

The Pearl has transferred \$1,500,000 from the London head office to its United States branch. This is expected to enable the United States branch of the Pearl to show an increase in surplus as compared with June 30.

The premium reserve requirements of the Pearl are unusually heavy, not only because it has been increasing its premiums but because it is not permitted to take credit in its reserve for much business that is reinsured. This is due to the fact that the reinsurance is handled by the London head office and is placed in non-admitted reinsurers.

As of June 30, the Pearl reported assets of \$15,638,445 and surplus \$4,073,633. The premium reserve was \$9,210,802 and U. S. Manager C. S. Conklin states that it will be in excess of \$10,000,000 in the Dec. 31 statement.

Seek 75th Anniversary Slogan

For the purpose of securing a slogan for use during its diamond jubilee year in 1938, the Fireman's Fund has inaugurated a contest among its employees, with first prize of \$50 and a \$5 prize to the writer of each of the next five best slogans. The company will celebrate its 75th anniversary May 6, 1938, and the slogan is to be used in advertising and letterheads during the entire year. It must be ten words or less and must express the company's standing. Closing date has been set for Jan. 20, 1938.

L. M. Michel to Head Office

L. M. Michel has been summoned to the head office of the Fire Association to be connected with the special risk department. Heretofore he has been in the field in the New York branch office territory.

Globe & Rutgers Changes

J. H. Mulvehill has resigned as vice-president and secretary and J. L. Hahn has resigned as secretary of the Globe & Rutgers Fire.

John R. Van Horne, heretofore resident counsel for Globe & Rutgers, has been elected secretary of the company.

Mr. Mulvehill had been associated with Globe & Rutgers for nearly 40 years.

Corroon and Awtry on Board

R. A. Corroon, head of the Corroon & Reynolds group, and John H. Awtry, vice-president and general manager of First Reinsurance, have been elected directors of the Rossia. They succeed George E. Jones and W. H. Ford of the Rossia head office organization, who have resigned as directors.

Forbush Retires After 50 Years in Salvage Line

(CONTINUED FROM PAGE 6)

trols, but mainly to the radical change in merchandising conditions.

As an example of how merchandising conditions have changed, Mr. Forbush observed that in former days eastern shoe manufacturers had agencies in Chicago that carried from \$10,000 to \$25,000 of stock. These agencies would operate in a territory within a radius of 150 miles from Chicago. They would sell to local dealers direct from their stock.

Now the same manufacturers merely have sample rooms in Chicago. They take orders and everything is delivered from the factory. The same is true for leather goods.

There has been a profound change in the grocery business. Formerly there were a multitude of small wholesale grocery houses throughout the country

each with \$10,000 to \$40,000 of stock. Practically all of those are now out of business. They were located in towns with extremely inferior fire protection.

The grocery business is now very largely in the hands of chain stores. The local stores carry but from \$2,500 to \$3,500 in stock. The main distributing departments carry large stocks but they are located in large towns and in modern, fire resistive buildings.

Dry Goods Situation

The story is similar so far as dry goods are concerned. Fleets of trucks are working all the time from headquarters, delivering small orders to the dealers.

Due to the accessibility of headquarters, the retailers are carrying less merchandise. Mr. Forbush estimates that the country merchant carries only about one-third the merchandise that he formerly carried.

Sales of the salvage company have held up remarkably well, Mr. Forbush declared. There is still a great demand for almost all types of stock. However, the fact that the salvage company has not been able to supply the demand has caused a number of dealers who formerly specialized in salvage goods, to go out of that business into the conventional merchandising line.

Another factor that is adverse to the salvage company's prosperity, according to Mr. Forbush, is the fact that under insurance is so prevalent these days. In fire after fire it turns out that the assured has a big interest and desires to put on a fire sale.

One-half the Volume

The salvage company's volume today is only about one-half what it was during the peak period, Mr. Forbush states.

The salvage company is getting considerable merchandise these days from motor truck losses. Although these are numerous, they do not create much volume.

The Chicago salvage company does not enjoy one advantage which the New York company has. The marine losses in the western territory are scarce, whereas the New York company gets a large volume from this source.

Mr. Forbush recalls that the loss that put the Chicago salvage company on its feet and got it off to a good start was that of R. A. Bartley, wholesale grocers at Toledo. This concern had a \$350,000 stock and it was a bad wreck. The competition was keen for this stock, the Gans people striving to get the job. They offered \$35,000 for the stock. H. C. Eddy happened to be in Toledo at the time and he went into action in the interest of the salvage company. He called Mr. Forbush to Toledo and after several conferences the stock was turned over to the salvage company.

Facilities Were Taxed

That taxed the facilities of the salvage company which had only three active men and no building. The salvage company proceeded to rent a building in Chicago, hired several ex-employees of the George P. Gore Company and the salvage company returned to insurers \$90,000 net. So far as Mr. Forbush can recall, that was the largest stock that the salvage company ever handled.

Although the salvage company has been returning deficits, Mr. Forbush believes that even larger deficits would be offset by the intangible saving that is brought about by the moral effect of the existence of the salvage company on assured. Time after time those who have made outlandish claims for damage have consented to a reduction of the claim when the danger of the stock being taken away from them was brought to their attention.

Farewell Dinner for Deal

The Georgia Blue Goose at a business meeting initiated 15 new members. Membership is now 130. A dinner was given honoring Russell Deal who leaves to take up his new duties at the home office of the Hanover. Mr. Deal was presented with a desk set.

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Prosperous New Year.



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No. 19

Headwork vs. Footwork

IT may be true that the law of averages gives you an even break, if you make enough calls. But it's tough on shoe-leather. And you want *better* than an even break.

You and I can sit down and use our heads for a few minutes—and save hours of footwork. In the first place, *help*—don't sell. Realize that you are rendering a service to your customer. Then, you'll make it your business to know his needs and understand his viewpoint. Right there, you'll create for yourself better than the average break.

If it takes a plan of campaign to win a war, why doesn't it take a plan to win a sale? *It does!* All of us can spend more time planning. It will pay better dividends than the law of averages.

A. H. Dent
President



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The NATIONAL UNDERWRITER

January 6, 1938

CASUALTY AND SURETY SECTION

Page Fifteen

Towner Bureau Is Incorporated; Lewis President

Founder Becomes Board Chairman; J. L. Kirkwood Is Secretary-Treasurer

NEW YORK—The Towner Rating Bureau, which for 29 years had been operated as an individual enterprise by its founder, R. H. Towner, has now been incorporated.

Under the new setup Mr. Towner becomes chairman of the board. The other directors are Paul Rutherford, president Hartford Accident; F. A. Bach, second vice-president Fidelity & Deposit; R. V. Goodwin, vice-president Fireman's Fund Indemnity, and Martin W. Lewis, formerly assistant manager of the bureau.

Lewis Is President

The directors have elected Mr. Lewis as president; J. L. Kirkwood as secretary-treasurer and P. A. Zimmerman, assistant treasurer.

The bureau, which now has a subscribing membership of 60 fidelity and surety writing companies, was organized by Mr. Towner in 1909, in an effort to place the rating procedure on a sane and defensible basis, in place of the hit or miss method in vogue at the time. As an attorney for the American Surety, Mr. Towner appreciated the need for reform in rating practices if the surety business was to gain and maintain a secure position in the underwriting arena.

Recalls the Old Days

Mr. Towner describes as "desperate" the field conditions that existed prior to formation of the rating bureau. "Claims were piling up against the companies which they could not pay and their premium revenue was pitifully inadequate; not only for the payment of existing claims but for meeting fresh losses," he states.

As a corrective agency the Surety Association of America was launched, and as chairman of several of its committees Mr. Towner was asked to form an independent rating service, which he did. The conduct of the bureau has served to stabilize fidelity and surety lines and to be responsible for much of the success of these lines. In 1934 Mr. Towner was honored by surety officials at a testimonial dinner.

Mr. Lewis joined the organization as chief assistant to Mr. Towner in 1923; his previous record with the National Surety indicating he was the man for the task. Through the succeeding 15 years Mr. Lewis steadily grew in stature, handling delicate situations in various states and before different insurance, financial and general business associations with skill and diplomacy. He is a popular figure.

Mr. Kirkwood is regarded as a competent analyst and rater. In his 22 years' association with the Towner Bureau, which he joined as a youngster fresh from a high school in Brooklyn, Mr.

DeCelles Faced by Demands For New Company Licenses

Compulsory Automobile Liability Business Facilitates Promotion in Massachusetts

BOSTON — Commissioner DeCelles of Massachusetts has been deluged with insistent demands for new company licenses, 13 mutual casualty and three fire companies having requested permission to organize, while two casualty companies have gone so far as to demand and get hearings before the commissioner to force the issuance of licenses to operate.

Under Massachusetts' compulsory automobile liability insurance act a new company is easily assured of the necessary \$100,000 of risks which is the primary requisite, but the commissioner is strict in checking the intent and ability to operate in the best public interest. Having in mind the mutual casualty companies which went to the wall a few years back and caused millions of dollars loss to car owners, Commissioner DeCelles has been going slow on approval of new companies, fearing a repetition of the scandals which arose at that time.

The commissioner is handicapped in that he is more or less bound by the law to issue a license providing certain definite things have been done, which are not too difficult to fulfill. The commissioner has asked the legislature for more power but has been denied time and time again. At the present time he has appealed to the supreme court to determine his power and discretion in the matter of approval of bylaws of new companies. He believes there should be stricter laws on a company surplus and other requirements, and the forthcoming governor's message is expected to contain something along this line sustaining the commissioner.

To Promote Endicott Mutual

Nearly a year ago the Miles Standish Mutual Casualty sought permission to do business. It secured a charter but did not fulfill all requirements and has forfeited its charter. The same group of backers, it is understood, is now seeking to form another company known as the Endicott Mutual Casualty.

The Aristos Mutual Casualty has demanded a public hearing to force the commissioner to issue it a license. The commissioner is concerned as to the individuals actually behind the company and it has not been given a license.

A hearing was given to the organizers of the Broad Street Mutual Casualty who had been denied a license, although they had secured the necessary \$100,000 of subscriptions and fulfilled other requirements. The hearing aroused intense interest and more than 500 persons attended. Charges of "political interference" were brought against the

(CONTINUED ON PAGE 24)

Kirkwood has functioned efficiently and intelligently.

Mr. Zimmerman had 14 years' experience with the New York City branch of the United States Fidelity & Guaranty before joining the bureau in 1936. He specialized in fidelity and surety underwriting problems.

Automobile Fatalities Are Set at 40,300 by Travelers

Injuries Total 1,060,000 in 1937 —Six Percent Increase in Deaths, Study Shows

There were 40,300 automobile accident deaths and 1,060,000 non-fatal injuries in 1937, the Travelers announced. This was the first time in the history of automobile transportation that fatalities exceeded 40,000 or injuries passed the million mark.

Except for general declines country-wide the last quarter year both totals would have been larger. Each of the first three months of 1937 showed increases in deaths of more than 20 percent.

Report 1,040,000 Accidents

The total number of accidents in which persons were killed or injured reported to official state bodies was 1,040,000, compared with 826,000 in 1935 and 865,000 in 1936. These figures do not include accidents in which property damage only was involved.

Preliminary analysis by Travelers' statisticians indicates the number of pedestrians killed in 1937 rose sharply to 17,500, compared with 16,160 in 1936. Pedestrian injuries jumped from 293,350 in 1936 to approximately 350,000 in 1937.

Deaths Rise 6 Percent

The increase in fatalities, slightly in excess of 6 percent, is almost identical with the nationwide increase in motor vehicle registrations. It is somewhat smaller, however, than the increase in motor vehicle travel as measured by gasoline consumption.

Good Faith of Palmer Is Not Impugned; Loring

This statement was issued this week by E. D. Loring, Chicago manager of American Automobile.

"The recent agency bulletin sent out by me commenting upon the decision of the director of insurance of Illinois disapproving occupational rating plans for automobile insurance risks was sent to Illinois agents and brokers of the American Automobile Insurance Companies. The bulletin was published without my authority and I wish to make entirely clear the fact that there was no intention on my part to impugn in any way the motives of the director of insurance. While I do not believe that the language of the bulletin will bear the construction of questioning Mr. Palmer's motives, in fairness to him I state emphatically that I have not questioned and do not question his good faith in rendering his decision of Dec. 11 disapproving the occupational rating plan, which decision my company opposed and had filed a court petition to review."

Lloyds License to Be Contested Soon by Surety Men

Fight in Illinois Being Continued — Restrictions on Underwriters Agents

Strict regulation of London Lloyds' future operations in Illinois was a fundamental condition imposed by the insurance department in the agreement on which a license was issued last week. It was made evident this week by distribution to London Lloyds Illinois brokers and agents of a bulletin of instructions by John S. Lord, attorney-in-fact. Accompanying the bulletin was an agreement form to be signed by the brokers binding them to observe eight requirements.

Court action by casualty and surety companies opposing the construction of the Illinois code on which the license was predicated appeared imminent this week. Surety men were not satisfied that the attorney-general's interpretation of the code which made possible issuance of the license by Insurance Director Palmer, nor the fact that a license was issued, put an end to their fight to curtail London Lloyds' operations in Illinois.

Eight Requirements

The requirements imposed by London Lloyds under agreement with the insurance department are:

(1) That daily reports of writings and returns shall be made by agents or brokers to the attorney-in-fact on forms to be agreed with the insurance department.

(2) Monthly reports on bordereau forms agreed by the department shall be filed with the attorney-in-fact on or before the 10th day of the month succeeding the month during which the transactions occurred.

(3) Monthly reports shall be made by licensed agents or brokers to the attorney-in-fact on all remittances made to London for premiums collected and for salvage savings.

Calls for Monthly Reports

(4) Monthly reports of all remittances to London, either by agents, brokers or adjusters, for salvage savings shall be made to the attorney-in-fact and monthly reports shall be made to the attorney-in-fact by brokers, agents and adjusters for return premiums, loss payments, adjustment expenses or any other receipts from London.

(5) Copies of all agency agreements with underwriters and of all contracts vesting binding power in such agents or brokers shall be filed with the attorney-in-fact.

(6) All policies entered into by underwriters at Lloyd's shall be delivered by the Illinois licensed agent or broker to the attorney-in-fact for countersignature promptly upon its receipt from London, and the agreement to be signed by the agent or broker shall

contain a clause that the agent or broker will not deliver any policy to the assured until so countersigned.

(7) Before a surplus line policy is countersigned by the surplus line agent, he must have a slip from the attorney-in-fact to the effect that the risk is not acceptable to underwriters at London Lloyds under the license issued to Mr. Lord.

(8) Underwriters at Lloyds will accept surplus line business only from brokers who have joined an association of surplus line brokers to be formed in Illinois, the secretary to be appointed by the attorney-in-fact, and to maintain an office and keep records in the office of the attorney-in-fact. The secretary will endorse all surplus line policies as secretary of the Surplus Line Brokers' Association. All brokers placing surplus line insurance with Lloyds underwriters will be required to send to the secretary all the particulars necessary for him to keep adequate records of such business.

The important question of how surplus lines are to be properly handled is to be solved, Mr. Lord explained, by formation of the "Surplus Line Brokers Association." Mr. Lord warned that underwriters at Lloyds will accept surplus line business only from brokers who have joined this association and complied with its requirements.

In the preamble to the letter of instruction Mr. Lord stated, "it is understood, of course, that neither automobile nor fire insurances may be written by underwriters at Lloyds of London in this state until and unless full compliance is had by underwriters at Lloyds of London under the rate provisions of the Illinois insurance code."

Reinsurance Arrangement

Reports were current in Chicago this week that London Lloyds proposed soon to begin writing automobile public liability and property damage. That was denied by Mr. Lord, who stated he had no instructions from London to transact an automobile business in Illinois and did not propose to file rates for that purpose unless he were ordered to do so. Insurance Director Palmer's announcement of licensing London Lloyds stated that the license excluded writing workmen's compensation and that Lloyds would not write fire or automobile.

Under the arrangement with the Illinois department based on opinions by Attorney-general Kerner, Mr. Lord explained, no risk exceeding \$235,000 may be retained unless the excess "is reinsured in a domestic or an approved foreign or alien company. Therefore, any

(CONTINUED ON LAST PAGE)

Start Survey on Selection of Accident-Health Agents

Questionnaire Sent Out—To Be Discussed at H. & A. Conference Meeting in Chicago, Feb. 4

The mid-winter executive meeting of the Health & Accident Underwriters Conference will be held in Chicago, Feb. 4.

One of the chief topics to be considered is the program of agency research, dealing especially with the subject of selection of agents, which was undertaken by the conference at its last annual meeting. To simplify the study, it has been decided to confine it to agency appointments during the first six months of 1938, rather than try to dig back into the records of men already under contract.

Questionnaire to Companies

An extended questionnaire has been sent to each cooperating company, to be filled out July 1, 1938, for each new agent contracted the first half of the year. These will be supplemented every six months thereafter by shorter questionnaires showing the record of men in this group. Many of the companies that are members of the conference do not have agents, such as reinsurance companies, commercial men's associations and similar organizations, but the co-operation of at least 25 agency companies is assured, thus furnishing a group of about 1,000 new agents to be covered by the study. The questionnaire covers these points:

- A. Contract and production.
 1. Name of company. (b) Name of agent. Sex.
 2. Name of agency.
 3. Was agent originally given a full-time or a part-time contract?
 4. Type of policies sold by agent: Commercial. Monthly industrial.
 5. Had agent had previous experience in selling insurance?
 6. Date contracted?
 7. Production of agent: (a) Is agent under contract July 1, 1938? (b) State number of months worked? (c) Accident and health premiums written \$.... (d) Life insurance paid volume \$.... (To be answered only when company sells life insurance in addition to accident and health.)

B. Personal history information as of date of employment.

(CONTINUED ON LAST PAGE)

Brown Is American Surety Agency Superintendent

NEW YORK—R. E. Brown, whose appointment as superintendent of agencies for the American Surety and its subsidiary, the New York Casualty, became effective Jan. 1, formerly was district superintendent for the two companies. Following graduation from Princeton he conducted an insurance and real estate agency at Sarasota, Fla. He is a son of the late R. R. Brown, president American Surety for a number of years, and vice-chairman at the time of his death in 1937.

Employers Group Sets Up New Jersey Department

The Newark service department of the Employers Liability and Employers Fire and American Employers has been changed to the Northern New Jersey department, with J. A. Verdi as resident manager. Counties serviced are Hunterdon, Warren, Sussex, Passaic, Bergen, Morris, Essex, Hudson, Union, Somerset, Middlesex and Monmouth.

Mr. Verdi began with the Aetna in 1920, after which he became associated with a general agency of the Employers. He left the agency to become a special agent for the Employers group in 1927 in New Jersey territory, and shortly thereafter became manager of the Newark service department.

O. H. Linn, formerly special agent in the same territory, becomes superintendent of the bonding department for the newly established Northern New Jersey department.

N. Y. Glass Bureau to Meet

NEW YORK—The New York Plate Glass Service Bureau, a division of the National Bureau of Casualty & Surety Underwriters, will hold its annual meeting here Jan. 26. The bureau, with a company membership of 56, has jurisdiction over the metropolitan district.

Talk on Legal Photography

TOLEDO, O.—H. E. Waltz, commercial photographer, will address the Toledo Association of Claim Men Jan. 10, on "Legal Photography and Its Importance in Claim Work." J. M. Coffman is president.

Shlensky Hits Actions of Central Mutual Receiver

Former Head of Company Files Objections to Liquidator's Report

Objections to virtually every item in the report of the receiver of the Central Mutual of Chicago have been filed by Harold Shlensky, president of the defunct mutual and stormy figure in the liquidation proceedings which have been going on for about a year. The objections, which were filed by Mayer Goldberg and Myer N. Rosengard, attorneys for Mr. Shlensky, include allegations that the entire proceeding is void because of lack of jurisdiction, that Henry G. Miller, the receiver, has acted contrary to the interests of policyholders in not defending each of the multitude of suits against assured of Central Mutual of Chicago, that he has not realized the proper sum from the sale of assets of Central Mutual and that he has improperly retained an accounting firm which also represents one of the largest creditors of Central Mutual. Hearing has been set for Jan. 10, before Circuit Judge Prystalski of Cook county.

Central Mutual of Chicago was found insolvent and an order of liquidation entered Jan. 11, 1937, by Judge Harrington on an action brought by Insurance Director Palmer of Illinois. Mr. Miller was appointed receiver and since then the case has been complicated by a multitude of questions involving, among other things, disposal of the assets of the Central Mutual of Chicago, its relations with the new company, Central Mutual of Illinois, founded by Mr. Shlensky and later called Empire Mutual, receivership actions and attachment of deposits in other states, disputes over foreclosure of mortgages taken over by the receiver and a variety of minor arguments, including a much publicized one over the ownership of 30 glass tops for desks in the Central Mutual office, to which title was claimed by both Mr. Shlensky and the American Glass Company.

Multitude of Claims Pending

Central Mutual had been a large writer of long haul truck business and at the time liquidation was entered the court found that its assets were only about half its liabilities. Mr. Miller's report as receiver revealed that at the time he took over the company he found over 720 suits pending in 16 or more states, involving either the company or its policyholders. Of these over 620 were personal injury suits and the others property damage. Comparatively few suits had been filed in Illinois, the receiver reported. In addition to the pending suits, there were over 400 public liability claims and many property damage claims. The amount involved in the claims and suits aggregated about \$4,000,000.

Because of the amounts involved and the limited assets at his disposal, Mr. Miller secured a court order stipulating that he should not defend these claims except where there was a possibility of recovering collateral for the Central Mutual, such as funds of the company which had been attached by claimants, bonds posted in cases, etc. This is one of the points on which Mr. Shlensky alleges that the receiver was derelict in his duty.

The receiver's report revealed that Lloyds of London is the largest claimant, the underwriters alleging that \$117,830 is due them as the balance of premiums on five reinsurance contracts

(CONTINUED ON PAGE 35)

New Setup in Towner Rating Bureau



R. H. TOWNER



MARTIN W. LEWIS



J. L. KIRKWOOD

In the new setup of the Towner Rating Bureau, which has been incorporated, R. H. Towner becomes chairman of the board. Martin W. Lewis, formerly assistant manager, becomes president and J. L. Kirkwood, who has been with the bureau 22 years, becomes secretary-treasurer. All three are well known and experienced experts.

Premiums of Travelers Group Exceed \$200,000,000

Gains Are Recorded in Each Department of the Potent Organization

HARTFORD—Passing the \$200,000,000 mark for the first time in its history the Travelers group of companies showed substantial gains in premiums for all classes of business during 1937, according to preliminary figures given by L. Edmund Zacher, president.

Total income from premiums and investment earnings also established a new all time record at \$237,137,000, an increase over the previous year of \$5,907,000.

New Life Insurance

New paid-for life insurance written during the year soared to a total of \$773,500,000, compared with \$607,500,000 for 1936, the 1937 figure including \$425,800,000 of additions and increases in group insurance, against \$332,200,000 the year before.

The 1937 paid premiums, by classes, were:

Life \$113,205,000. (1936, \$111,872,861).
Accident and health \$15,849,000 (1936, \$14,742,067).
Liability \$8,901,000. (1936, \$7,815,656).
Automobile casualty \$23,203,000. (1936, \$21,647,242).
Compensation \$21,571,000. (1936, \$19,420,051).
Burglary \$2,422,000. (1936, \$2,309,799).
Boiler and machinery \$1,380,000 (1936, \$1,065,444).
Plate glass \$720,000. (1936, \$688,352).
Automobile fire \$2,667,000. (1936, \$2,270,826).
Inland marine \$1,152,000. (1936, \$961,847).
General fire \$8,938,000. (1936, \$8,685,604).

Transmitting the figures to field representatives President Zacher said:

"The figures carry a very high compliment to the enterprise and success of the Travelers field representatives during 1937. The premium income again surpassed by a good margin any previous year in the companies' history and we look forward to a continuation of such splendid results during 1938."

Stock-Mutual Men to Meet Soon on Standard Form

The joint stock-mutual committee of company officials which is working on a revision of the standard automobile public liability and property damage forms will meet in Chicago late in January to consider recommendations of a sub-committee which has been redrafting some clauses. The main committee suggested to the sub-committee some changes in the garage policy, which also may be in shape for final consideration at the Chicago meeting. The committee, composed of five stock and five mutual men, was to have met in Chicago in December, but this was postponed.

Surrender in Pacific Mutual Case

Indication that the 15 former officials of Pacific Mutual Life, who were indicted by a federal grand jury in Phoenix, Ariz., may resist removal to Phoenix for trial on mail fraud charges is found in the attitude taken by the defendants in surrendering and posting bail in Los Angeles.

Officials agreed to a reduction in bail if the defendants would waive removal hearing. The defendants refused to ac-

N. Y. Group Hits Mandatory Contract Bond Statute

Would Make Cover Optional—Favors Improved Protection on State Autos

The New York joint legislative committee on state fiscal policies, in a report, recommends that one or more fleet policies for P. L. and P. D. on all state owned or operated automobiles be carried. The committee also recommends that contract bonds on state construction be optional instead of mandatory.

Automobile coverage on state automobiles is handled unsystematically, according to the committee. During the fiscal year 1936-37, according to the committee, New York state paid \$76,182 in motor vehicle premiums and losses were paid under those policies of \$10,000. The committee rejects the suggestion that the state be a self insurer for third party coverages. It feels that the state should not carry automobile theft, fire and collision insurance.

Highway Contract Bonds

Since 1923, the committee states, the requirement of contract bonds on highway construction has been optional in the discretion of the superintendent of public works. From 1923-36, 2,868 highway contracts for \$420,000,000 were let. Bonds were required in connection with 1,994 undertakings and the contractors paid \$3,000,000 in premiums and \$200,000 for excess costs incurred to complete defaulted contracts. In the undertakings where bonds were not required, the only cost to the state was \$63,000 in excess costs, according to the committee.

During the past 10 years, the state let building and canal contracts totaling about \$263,000,000 on which contractors paid an estimated \$2,335,000 in premiums. The state spent \$450,000 in completing contracts on which default occurred and recovered from the sureties for such additional expenses about \$360,000. Thus, according to the committee, the state spent more than \$2,300,000 to secure performance of its building contracts and was then compelled to pay more than \$90,000 additional to complete contracts on which it was supposedly protected.

Spent \$2,400,000 in 10 Years

Surety companies spent directly about \$300,000 to complete contracts. That means, according to the committee, that during the 10 years the state spent about \$2,400,000 as a protection against losses that totaled about \$750,000.

Because of the favorable experience with highway construction, the committee expresses the belief the state would benefit by following a similar policy with respect to all its building activity.

The committee estimates that the saving to the state would be about \$175,000 annually. If bonding is dispensed with, according to the committee, stronger financial responsibility can be insisted upon and that is likely to result in a decrease in defaulted contracts.

Material men, according to the committee, have lost more than \$3,000,000 in connection with state contracts during the past 10 years. The committee advocates that the lien law be strengthened to give better protection to material men.

cede to this and they posted bonds as originally set, and only for their appearance in Los Angeles.

The appearance is set for Jan. 27 and at that time the removal hearing will be held.

It is reported that several of the attorneys representing defendants are considering an application for a change of venue from the Arizona federal court to Los Angeles.

N. B. Keathley, local agent at Brownsville, Tenn., for about 50 years, died there after a short illness.

Call for Auto Experience Goes Out in Illinois

The call for experience on automobile insurance that has gone out from the Illinois department requires insurers to report net direct premiums written, net direct premiums earned and losses and allocated loss expenses incurred for the entire state for each classification for which the insurer provides a specific or definite rate.

The companies are also required to report commissions and brokerage incurred on business written in Cook county and in the remainder of state. They must give a statement of taxes incurred on business written in the state as a whole and expenses incurred on the same basis.

Expenses, in the report, will include all expenses other than commissions, taxes, losses and allocated loss expenses.

The statement must cover the period which the company is using in establishing its rates for the coming year but in no event shall it cover a period of less than the two years, 1936 and 1937. The report must be made before Feb. 1.

At the same time the Illinois department rescinds a bulletin which was sent Dec. 23 requesting certain information on automobile experience. The department has decided to call for more specific information, it explains.

Illinois Adjusters Don't Want to Become Detectives

Most of the independent adjusters in Illinois are perturbed by the steps that have been taken by the Illinois state department of registration and education to cause adjusters to be brought under the new Illinois law for the licensing of private detectives. Some independent adjusters who would not be averse to legislation providing for examination and licensing of adjusters feel, however, that there would be no benefit to the adjusters in being compelled to comply with the laws governing private detectives. The law escaped attention of insurance people when it was passed. In defining what constitutes a private detective, the language is very broad and certainly provides at least the basis for an argument that it does reach independent adjusters.

Forms Sent to Adjusters

In recent weeks the department of registration and education has been sending to adjusters in the state forms to be completed on the part of applicants for licensing as private detectives. One of the requirements is that a photo of the applicant be submitted. Some of the adjusters threw this material away, thinking that a mistake had been made. Some of the larger organizations referred the matter to attorneys who filed objections with the department of registration and education, expressing the belief that the law does not apply to adjusters. It is understood that arson investigators of the National Board also received the forms and objections have been filed in their behalf.

Representatives of the department of registration and education, displaying badges, have visited the offices of some adjusters, asking for information. So far as can be determined there has been no official reply on the part of the department to the communications from lawyers for the adjusters. At the next meeting of the Adjusters Association of Chicago Jan. 13, the matter will be discussed.

Maryland Takes Over Contract

ST. LOUIS—The Maryland Casualty, which was surety for J. J. O'Brien of St. Louis on the clearing of 2,645 acres in the pool area above Lock and Dam No. 26 in the Mississippi river at Alton, Ill., has taken over the completion of the contract. At the time O'Brien abandoned work only about 5 percent of the work had been done.

Randall Strongly Champions Merit Rating Plan

Travelers Official Cites Benefits—Agency Organizations Voice Opposition

J. W. Randall, vice-president of the Travelers, in "Travelers Protection," champions the new automobile merit rating plan on a retrospective basis that the member companies of the National Bureau of Casualty & Surety Underwriters intend to sell beginning Feb. 1.

Mr. Randall insists that a much larger



J. W. RANDALL

percentage of automobile owners must be induced to insure. The cost of insurance has been a barrier to the accomplishment of this purpose, he states. The companies, in adopting the merit rating plan, he declares, have done what they can to lower the barrier and they are depending on the agents to bring the plan to the attention of those who merit insurance protection and who can afford it at its new low price.

Paper Plans Collapse

For the past few years, he states, the companies have given a lot of thought to various plans for reducing the cost of automobile insurance to the careful drivers. Many of the plans, he declares, look fairly simple on paper but they create new problems when an attempt is made to put them into effect. At last, he states, a plan has been devised that will result in a reduction in cost to the careful driver and which can be put into effect.

The new plan affords the reduction in rates only to those who have demonstrated their right to be termed careful drivers; not to all who may claim that they are careful drivers but whose subsequent record does not bear out this claim. It answers that objection frequently brought forward by the man, who has a long clean driving record: "Why should I be asked to pay as much for my insurance as the man whose record demonstrates that he is not as careful as I am?"

Makes Selling Easier

Mr. Randall expresses the belief that in bringing down the rate for those who are entitled to a reduction, it will be easier for the agents to write more of the many desirable risks that are now uninsured.

Mr. Randall observes that public resentment is rising against the uninsured

(CONTINUED ON PAGE 23)



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CHANGES IN CASUALTY FIELD

W. C. Beem and B. W. Davis New Kemper Vice-presidents

★ Warren C. Beem and Bruce W. Davis have been elected vice-presidents of James S. Kemper & Co., the central department office representing the Lumbermen's Mutual Casualty and its associated carriers.

Mr. Beem entered the insurance business in 1918 and joined the Kemper organization as a field representative in 1933. Mr. Davis, whose insurance experience dates back to 1915, became identified with the Associated Mutuals of Atlanta, the southeastern office of the Lumbermen's Mutual Casualty, in 1926. In 1933 he went to Chicago and became a representative of James S. Kemper & Co.

Burton Archer's New Position

The North America group has appointed Burton Archer special agent in Los Angeles to service mainly bonds and inland marine lines. He started in the business in 1926 with the John N. Young general agency, Buffalo, specializing in fidelity and surety as well as inland marine and general casualty.

Loos with Ford Agency

NEWARK—John Loos of East Orange, N. J., formerly secretary-treasurer of the John F. Murray Co., has been appointed manager of the casualty department of the northern New Jersey office of the Continental Casualty, of which William Ford is manager.

J. L. Martin to Team With Son

John L. Martin, who has resigned as resident vice-president at Newark for Standard Accident, has been connected with that company directly and indirectly about 30 years. He started with the People's Surety in 1904 and when that company went out of business in 1907 he joined Pendleton & Pendleton, which was Brooklyn agent of the Standard. In 1914 he opened the Newark branch for the Standard and became resident manager. In 1935 he was appointed resident vice-president. He intends hereafter to

engage in the general business as broker and agent in partnership with his son. He will announce more definitely his plans after he returns from a trip to Florida.

Fisher Assumes New Post

Frank Fisher, Jr., has been appointed superintendent of the accident prevention-payroll audit department of the U. S. F. & G., succeeding the late J. Purviance Bonsal, who died Nov. 10. Mr. Fisher has had a long and varied experience. From 1921-27 he was with the Fidelity & Deposit and later managed the Atlantic Surety of North Carolina. At various times he has been in charge of underwriting departments in the U. S. F. & G. home office.

Bechtold With Jensen & Kessler

Jack Bechtold has been appointed special agent in the casualty department of the Jensen & Kessler general agency of San Francisco. He has had experience with Associated Indemnity, Royal Indemnity and Norwich Union Indemnity.

Goodpaster Has National Mutual

Joseph Goodpaster, local agent of Hutchinson, Kan., and head of the Motor Transport Underwriters, has been appointed general agent for the National Mutual Casualty of Oklahoma in Kansas. Associated with Mr. Goodpaster are his sons, John I. and Albert H. He controls much automobile and truck business.

Norton Named Assistant

Dana M. Norton has been appointed assistant claim manager for the Indemnity of North America in the Bartholomew-Darling-Clarkson office, Chicago. He is associated with Ross Grant, who is in charge of claims. Mr. Norton goes from the Continental Casualty home office where he did claim and legal work. He is a member of the Indiana bar, has practiced law and has been for a number of years in insurance claim work.

J. N. Dinsmore has been transferred from the Cleveland claim department of the Lumbermen's Mutual Casualty, to Mansfield, O.

WORKMEN'S COMPENSATION

Limitation Applies to Start of Disability in Utah Rule

SALT LAKE CITY—In a unanimous decision, the Utah supreme court has held that the law which requires an applicant to apply for compensation within one year of the accident means that he should apply within one year of the onset of his disability. By this decision, the court reverses former rulings.

The case in question concerned an employe of a golf club who had suffered injury to an eye when struck by a golf ball. He received a few weeks' compensation and returned to work. Several years later he lost the sight of the eye—believed to have been healed—and medical testimony was to the effect that the trouble was due to the old injury from the golf ball.

Court Comments

★ "Not until there is an accident and injury and a disability or loss from the injury does the duty to pay arise," said the decision. "A mere accident does not impose payment . . . the cause of accident for compensation for the loss of the eyesight arose not before the complete loss of the eyesight. The cause of the action for the compensation does not arise until the loss is suffered and the employer fails or ceases to pay. The statute of limitations runs from such time."

Can Reinstate Claim After Agreeing to Suspension

LANSING, MICH.—The Michigan supreme court, in *Bea Troyer vs. Ernst Kern Company*, has upheld the right of workmen's compensation claimants to reinstate their claims after signing agreements to suspend payments. There need be no showing of a change of condition to reopen such cases, the opinion holds.

"It would be a harsh and inhuman rule," states the opinion, "which would hold that his (the claimant's) attempt at rehabilitation or his mistaken belief that he may have recovered precluded him from obtaining further compensation upon the continuance or reappearance of disability."

The opinion does not apply to filing of a final settlement agreement. A change of condition must be proved to reopen cases in which settlements have been filed.

Consider Compensation Bill

JACKSON, MISS.—The Mississippi legislature has convened in regular session. The workmen's compensation bill sponsored by labor organizations is said to have considerable support from business. Discussions thus far have disclosed divergent opinions on several sections, chiefly those relating to railroad labor. Governor White has expressed his willingness to cooperate in writing a satisfactory bill, although in his cam-

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paign two years ago he said he would veto such an enactment. He is opposed to a bill patterned after the Louisiana act.

New Minnesota Rates in Effect

ST. PAUL—Companies operating in Minnesota will collect \$900,000 less in

compensation premiums this year than last, under the new rates effective Jan. 1.

The new schedule averages 15.4 percent under the 1937 rates. Last year premiums totalled around \$6,000,000. In the last three years compensation rates in Minnesota have been cut approximately 26 percent.

ACCIDENT AND HEALTH

Reserve Mutual of K. C. Writes Accident by Mail

The Reserve Mutual Casualty of Kansas City, which was organized about three years ago by the Thomas McGee & Sons agency of that city has launched a new department for writing automobile personal accident policies by mail. M. B. Salisbury, formerly with the Postal Life & Casualty there, has been elected executive vice-president of the Reserve Mutual Casualty and placed in charge of developing the new business. Business will be sought in every state.

The policy, with an annual premium of \$6, covers injuries sustained while riding in or driving a pleasure car; riding in taxis or motorbuses; being struck by an auto, truck, taxi, street car, motorcycle, or as the result of the explosion or burning of an automobile. It provides \$1,000 principal sum, \$100 a month for one year for total disability and \$50 partial for one month.

The company has been writing automobile fire, theft and collision, surety and liquor dealer bonds.

Enters Hospitalization Field

The California-Western States Life is entering the hospitalization insurance field with a policy providing indemnity for hospital room, board and general nursing care for 30 days as well as expenses for operating room, anesthetics, drugs, dressings and medicines.

Addition of this new service, President O. J. Lacy stated, comes in response to the growing demand for hospitalization coverage which is shown by the rapid growth of recently formed assessment hospitalization associations in the principal western cities. The new division will be under the supervision of E. W. Amos, superintendent of the accident and health department.

Bayer with Continental in N. J.

William Ford of Newark, northern New Jersey manager of the Continental Casualty, has appointed J. F. Bayer, former New Jersey assemblyman, manager of the commercial accident and health department.

Thomas Agency December Leader

The W. L. Thomas agency of the accident and health department of the Massachusetts Bonding in Los Angeles won national leadership for December for the fifth time in 1937.

Chicago Congress Postponed

Because it was found impossible at this time to secure some of the speakers desired, the sales congress of the Chicago Accident & Health Association, scheduled for Jan. 12, has been postponed and probably will be held just prior to Accident & Health Insurance Week.

Time's Year-End Party

The Time of Milwaukee held its annual year-end dinner party there, attended by about 50 agents and officers of the company.

American Casualty Increase

In the last three months of 1937 the American Casualty showed a 20 percent increase in accident and health business. It is planning an aggressive production campaign in 1938 and several new policies will be issued about Feb. 1.

Favors Keeping Dental Record of Policyholders

The insurance committee of the American Dental Association has a committee that is endeavoring to gain recognition for dentistry by life, accident and health companies. The committee is advocating that these companies procure complete dental records of all policyholders, especially for the purpose of providing positive identification. Dr. M. D. Gibbs of Hot Springs, president Arkansas State Dental Association, treats the subject in an article in the December issue of "Oral Hygiene."

In accidental death, he observed, faces, bodies and limbs are often mutilated beyond recognition. With complete dental records such confusion would be almost impossible.

The records to be complete must deal with more than missing teeth and dental restoration, he states. They must have roentgen rays of the teeth and maxilla. Identification from dental records in the field of insurance presents a question worthy of much consideration, he declared.

Reinstate Michigan Casualty

LANSING, MICH. — Commissioner Gauss has reinstated the license of the Michigan Casualty, Detroit assessment health and accident carrier. The company had been charged by the insurance department with unethical advertising, failure to pay claims, and impairment of

Travelers A. & H. Drive Honors Page's 50 Years



B. A. PAGE

HARTFORD—The first such testimonial since 1926, an accident campaign in honor of Bertrand A. Page, vice-president, who this year completes 50 years of service, is planned by the Travelers.

The drive opened Jan. 3, and will run to April 2. The last testimonial of the kind for an officer of the Travelers was in honor of the late Louis F. Butler, president.

Mr. Page, generally regarded as dean of accident underwriters in the United States, has been vice-president since 1912, and last fall was made a director.



HELP PREVENT ACCIDENTS LIKE THIS!

Get the habit of being accident-prevention-conscious. Point out accident hazards to your policyholders, your friends, and your relatives. Selling safety makes the average agent more anxious and better equipped to sell insurance. Get the current issue of *The Employers' Pioneer*. No obliga-



tion—just address your request to the Publicity Department of The Employers' Group, 110 Milk Street, Boston. The Employers' Pioneer will help you in your efforts to sell insurance, including fidelity and surety bonds. It will help you render a real service to society when you "sell safety".

THE EMPLOYERS' GROUP

110 MILK STREET, BOSTON, MASSACHUSETTS

For Aggressive Agents - - -

The Buckeye Union offers financial strength — prompt claim service — up-to-the minute sales and advertising aids—standard policies.

It will pay you to investigate the Buckeye Union, an aggressive stock company for aggressive agents. Writing Automobile, Plate Glass, Burglary and General Liability. Write for complete information.

Territory in Ohio and Indiana

The
Buckeye Union
Casualty Co.
HOME OFFICE
Columbus, Ohio

S. ALEXANDER BELL & CO.
Certified Public Accountants
Specializing in Insurance Accounting,
Audits and Systems
10 South La Salle Street, Chicago, Illinois
Telephone: Central 3514

Pave the Way—An accident policy sale is the easiest way to get acquainted with your prospect and pave the way for other lines. For suggestions that sell read *The Accident & Health Review*, A-1946 Insurance Exchange, Chicago. Sample 10c.

THE EXCESS INSURANCE COMPANY OF AMERICA

Reinsurance
Casualty and Surety
Excess Covers

Executive Offices:
99 JOHN STREET
NEW YORK CITY, NEW YORK
Telephone Beekman 3-1147

reserves. The suspension order followed a recent examination but department officials said the formal report of examination had not been officially filed when the action was taken.

The commissioner explained that the license had been reinstated after its officers had agreed to correct all practices to which department objections had been raised and had deposited an additional \$4,000, to bring the total cash deposit with the state treasurer to \$6,000, thus fulfilling statutory requirements.

It has been writing health and accident business on a monthly advance premium basis. It is headed by L. O. Napier of Detroit and Chicago and J. P. Graw of Detroit is secretary. Headquarters were moved to Detroit from Saginaw the past summer. It has been operating since 1907.

McGregor with Continental

NEW YORK.—H. R. McGregor has been appointed assistant to L. M. Kuh, district manager here of the disability division of the Continental Casualty. He had been with the Aetna Life for 10 years, in the accident and health department.

A. & H. Week Committee to Meet

The first general meeting of the committee in charge of Accident & Health Insurance Week for 1936 has been called by Chairman Harold R. Gordon for Feb. 11 in Chicago. The Chicago Accident & Health Association will hold its annual stag party that night, and most of the members of the committee are expected to stay over for that party.

Lee Cannon Named

Lee M. Cannon of Seattle, Wash., has been named general agent by the Loyal Protective Life.

Compensation and Allied Lines

C. F. Dieter, in his presidential message at the annual meeting of the San Antonio Insurance Exchange, made the recommendation that in view of the difficulties experienced by many agents in writing compensation insurance, a plan be worked out for an agent writing a compensation policy for an assured to handle in his same company any allied lines for the agent controlling such other allied lines, allowing that agent full commission, but at the same time, giving the company writing the compensation insurance the benefit of carrying the allied lines.

Carl A. Pfeiffer, 48, an auditor of the Employers Mutual, died at a Madison, Wis., hospital after a long illness.

NEWS OF CASUALTY COMPANIES

Massachusetts Bonding Has New Home Office Building

The 14-story Water Street building at 10 Post Office Square, Boston, has been purchased by the Massachusetts Bonding and will soon be occupied by that company as its head office. The structure is opposite the Federal building and extends along Water street from Post Office Square to Kilby street. It is connected with the building that was formerly occupied by the Atlantic National Bank. Besides the basement, it comprises a floor area of 140,000 square feet and is modern in design.

First Dividend on New Stock

American Fidelity & Casualty of Richmond, Va., has declared a quarterly dividend of 15 cents on the common stock payable Jan. 10 to stock of record Dec. 21. This is the first dividend declared on the new common stock since its issuance in July, 1937.

Net underwriting profits of American Fidelity & Casualty for the first eight

months of 1937 amounted to \$93,467 as against \$63,677 for the entire year 1936, according to S. A. Markel, president.

In 1937 the company entered New York, Pennsylvania, Michigan, Illinois, California, Oregon, Arizona and Nevada, and is now licensed in 28 states. It plans to enter a number of additional states in 1938, Mr. Markel said.

Number of Shares Increased

The par value of the shares of Ohio Casualty has been reduced from \$50 to \$5, which increases the number of shares from 12,000 to 120,000. The outstanding capital continues to be \$600,000. The change was made, according to the management, in order to encourage a wider distribution of the stock.

Mellbank Surety Enters Ohio

The Mellbank Surety of Pittsburgh has been licensed in Ohio, with Carl Dauksch of Columbus as agent.

The American General of Houston has been licensed in Ohio with William R. Drake of Columbus as agent.

CASUALTY PERSONALS

E. C. Mason, manager of the compensation and liability departments of the Travelers in Albany, N. Y., has just celebrated his 25th anniversary of service with that company.

John C. Chandler, vice-president of the California Casualty Indemnity Exchange of San Francisco, was presented a gold wrist watch by employees of the organization on his 20th anniversary with the exchange. Mr. Chandler, accompanied by Mrs. Chandler, is now on an extensive trip which will carry them to New York via the Panama Canal and a three months' visit in Europe.

Mrs. Veronica Carroll, wife of James Carroll, president of the Lincoln Mutual Casualty of Detroit, died from injuries suffered in her home. Mrs. Carroll was found at the foot of a flight of stairs by her maid. Death was caused by a skull fracture.

J. E. Thompson, for 16 years district sales manager in Detroit for the Detroit

Automobile Inter-Insurance Exchange, operated by the Automobile Club of Michigan, died there after an illness of several weeks.

Gordon H. Campbell, Little Rock, general agent Aetna Life, will serve a second term as president of the Little Rock Chamber of Commerce. Raymond Rebsamen, Rebsamen & East agency, was named second vice-president and national counselor.

B. F. Vogel, 53, secretary of the insurance auditing and engineering firm of Atwell, Vogel & Sterling, died in the Ravenswood Hospital, Chicago, following an operation for a ruptured appendix. He was in charge of the Chicago operations of his firm.

Mr. Vogel and C. G. Atwell organized the firm in 1918 and a few years later they were joined by L. B. Sterling. The organization now operates on a nationwide basis. Previously for several years Mr. Vogel was connected with the head office of Continental Casualty.

Standard Accident Plays Up Agent in National Campaign

The Standard Accident has made plans for the continuance of its advertising in national magazines and insurance journals for 1938. The national advertisements will be of an institutional nature with a few advertisements on coverages particularly applicable to solicitation during certain seasons of the year. The importance of the local Standard agent to the welfare of his community through the service he is prepared to render to his clients will be emphasized each month.

Two column advertisements will appear in "Time" and "Business Week." A half-page monthly advertisement in "Banking Magazine" will feature the protection available through agents against the results of embezzlement, burglary, robbery, check forgery and other banking hazards.

The distinctive layout originated by N. W. Ayer & Son, the Standard's advertising counsel, will be maintained in both the national magazines and insurance journals.

In addition to its national magazines and insurance journal advertising, an extensive array of advertising material and promotion helps will be made available to Standard agents. Included in the pro-

Maryland Casualty Features 40th Anniversary in Ads

The Maryland Casualty, which has been an outstanding national advertiser for three years, plans to continue its campaign through 1938 to spotlight its 40th anniversary.

The first of the anniversary advertisements appearing in January attracted considerable interest by its use of gold-leaf ink as a solid background for the entire page. This advertisement stresses the fact that the Maryland's 40 years have been dedicated to a single principle of "Unforeseen events need not change and shape the course of man's affairs."

Subsequent advertisements in the 40th anniversary year will likewise center attention on the company's stability and experience. They will appear in "Time," "Fortune," "Business Week," "Nation's Business" and "Forbes," in addition to a group of banking and insurance publications in the United States and Canada.

All the Maryland's agency force is furnished with large reproductions of advertisements as they appear, for use in local agency advertising.

gram will be folders, leaflets, sales letters, window posters and other material which is effective in the local promotion campaigns of agents.

Randall Strongly Champions Merit Rating Plan

(CONTINUED FROM PAGE 17)

motorist. Criticism of financial responsibility laws is growing because they do not assure reimbursement to the victims of the auto owner's first accident. New Hampshire has changed its laws to require insurance on financed cars. The legislative committee in New York is studying the list of automobile fatalities to determine what percentage of the victims were able to collect from automobile owners.

Those in the insurance business, according to Mr. Randall, must accept the responsibility unless they are willing to have the state step in and tell them what risks they must take and what commissions they may pay. It is the obligation of the company to supply dependable protection at the lowest cost consistent with safety. The agent's responsibility is to sell the protection to the auto owners.

OPPOSITION IN OMAHA

OMAHA—The Omaha Association of Insurance Agents has adopted a resolution requesting the National Bureau to postpone the application of the proposed retrospective rating automobile plan "until such time as a more equitable and workable plan can be worked out by the various organizations interested."

The memorial voices the opinion that the plan will not reduce accidents; that it is not sufficiently attractive to the buyer to induce him to return to bureau companies; that the reduction in commissions would seriously impair the quality of service rendered; that it appears to be an attempt to mutualize stock insurance; that it will result in misunderstanding with assured as to settlement of small claims that will cause the loss of the reward; that the public will eventually request extension of this plan to all lines.

Any radical change in the method of underwriting automobile insurance, according to the memorial, should be the result of careful cooperation between company men and producers.

DALLAS AGENTS HIT PLAN

DALLAS—After a lengthy discussion members of the Dallas Insurance Agents Association went on record, unanimously, as being opposed to "any automobile plan which contemplates variation of acquisition cost to develop merit rating." The merits of the proposed plan were debated but the subject of reducing commission met 100 percent objection. The Texas Association of Insurance Agents was notified by the Dallas group that any plan to decrease agency commission would be opposed. The Dallas agents feel that the plan would increase the routine details to be handled by an agent and at the same

time decrease his commission on the good risks, while not disturbing his commission on bad risks.

OPPOSED IN K. C.

KANSAS CITY—Strong criticism of the new "safe driving reward plan" of the National Bureau of Casualty & Surety Underwriters was voiced by agent members of the Casualty & Surety Underwriters Association of Kansas City at a special meeting. All of the large casualty general agencies were represented and were unanimous in vigorously objecting to the plan.

A letter of protest was drawn up by a special committee composed of B. W. McCluer, Frank McGee and George Oppenheimer, and unanimously endorsed. Copies of the letter are being sent the National Association of Insurance Agents, National Association of Insurance Brokers, Missouri Association of Insurance Agents, and to the members of the Casualty & Surety Underwriters Association with the request that each member forward a copy to his home office.

"The effectiveness of the plan has been destroyed in advance by publicly announcing that the rates would first be advanced," agents asserted in the

first point made against the plan. "This same unfortunate advance publicity led the public to believe it would receive 15 percent reward for safe driving. The net effect of the new rating formula is a reward of 10.92 percent from the basic rates (before the arbitrary loading)."

"2. While the agents agree that the reward or reduced rate for careful drivers is very necessary, we feel that the amount involved is so small as to render the plan futile for the purpose.

"3. We again vigorously protest a continuation of a trend of reducing agents' commissions. It would appear in every competitive emergency requiring rate reduction in all forms of insurance that the agents are being required to assume the substantial burden of such reductions.

Agent's Burden Disproportionate

"The commission adjustment proposed in this case is a repetition of similar proposals wherein the agent is asked, and in net effect forced, to accept a reduction in income out of all proportion to the expense loading which he bears in the premium dollar, and is no more logical than it would be to reduce commissions in connection with a rate raise for any other cause.

"4. Notwithstanding the fact that three national organized groups of producers, National Association of Insur-

ance Agents, National Association of Casualty & Surety Agents, and National Association of Insurance Brokers, are best able to assist in solving problems of this kind, it is our information that they were at no time consulted but were only called in to be informed of the adoption of this plan by the National Bureau.

"We are further informed that those three organized producer groups are definitely in opposition to the proposal.

"5. Although this plan has been termed the 'safe driving reward plan' its prime purpose is obviously to recapture for the bureau companies a portion of the individual passenger car business lost in recent years to the so-called 'cut-raters' and the participating companies. Almost invariably such companies employ rates or dividends in modification of the bureau published rates. It is a sound assumption that they will continue to do so under the proposed new manual.

"This being true, the proposed plan has added a cushion of an additional 5 percent to the premium level of those companies.

"It can be assumed that such groups will use this bonus very effectively in an increased advertising program (naturally anti-bureau) or else increase their differential from the manual rates."

Local agents here generally have ex-

HEIRLOOM

HEIRLOOM. This term is derived from the English word heir and the Anglo-Saxon *geloma* or *loma*, household stuff. In old times, when the clothing of a family was spun and woven at home, the loom was the most important article of furniture in a house, and eventually its name became representative of all, in the same sense as we now use "furniture." In Cheshire, to this day, the word "loom" is used as descriptive of any article of furniture. From this use of the word comes its application to specific articles descending from father to son, and called "heirlooms."

—*"Words, Facts and Phrases," Edwards*

Agents and Companies have many heirlooms which should be safe-guarded by friendly cooperation

Bankers Indemnity Insurance Co.
Newark, New Jersey

« Casualty Affiliate of The American Group »

BOILER AND MACHINERY INSPECTOR

Boiler and Machinery Inspector with Pennsylvania Boiler Inspection Commission or its equivalent, willing to travel. Salaried position with an outstanding company. Write giving full details.

ADDRESS G-93 NATIONAL UNDERWRITER

AUTO UNDERWRITER

Auto Underwriter, several years' experience and good correspondent; prefer college graduate; age 24 to 35 years.

ADDRESS G-94 NATIONAL UNDERWRITER

AUTO LIABILITY AGENCY WANTED

\$5,000 of good business now on books, Mutual Company preferred.

Asher Sanger Insurance Agency
Waco, Texas

We give you the benefit
of Experienced Co-Op-
eration and Service in
handling

GROUP DISABILITY and HOSPITAL- IZATION

For information address
Group Department



**NATIONAL
CASUALTY
COMPANY**

W. G. Curtis, President

Home Office

Majestic Building, Detroit, Michigan

THE PREVENTION OF LOSSES

and the reduction of
those which inevit-
ably occur is the
most important serv-
ice available to our
clients.

COMMERCIAL SERVICE BUREAU

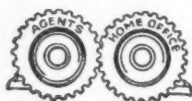


330 S. Wells St.
WABash 9670

F. A. Orsinger, Manager
L. H. Osgood, Asst. Mgr.

CASUALTY - FIRE - BONDS

We
Strive for
**PERFECT
CONTACT**



**COMMERCIAL STANDARD
INSURANCE COMPANY**

FORT WORTH, TEXAS

pressed disapproval of the new plan since it first was given publicity. Most of them have expressed the intention of throwing such business to cut-rate companies in case the bureau plan is carried through.

INDIANAPOLIS RESOLUTION

INDIANAPOLIS—The Indianapolis Insurance Agents' Association at a meeting Tuesday adopted a strong resolution condemning the automobile merit rating plan. Every effort will be made to persuade the Indiana insurance department to forbid the use of the plan in this state. The agents complain that they are cut as to income and are required to give more service under this plan. And they point out that the reduction in rate to the automobile owner is only 10 percent and that the influence of the plan in the direction intended will be practically nil. They complain too that a move of such concern to them was made by the companies without consulting the agents.

EDITORIALS FAVORABLE

NEW YORK—Reprints of editorials from a considerable number of daily papers throughout the country, all highly commendatory of the recent automobile rate reduction plan of member companies of the National Bureau of Casualty & Surety Underwriters, have been issued by the organization.

HUHNKE IS FOR THE PLAN

DULUTH—E. C. Huhnke, president Minnesota Association of Insurance Agents, has sent a notice to members calling their attention to the merit rating plan. Mr. Huhnke expressed the opinion that the plan will encourage safe driving.

DeCelles Faced by Demands for New Company Licenses

(CONTINUED FROM PAGE 15)

commissioner as the cause of withholding of the license. The company organizers maintained they had tried for two years without effect to get a license from the commissioner. The commissioner later granted the company a license, issuing the following statement:

"Insurance in general is a business charged with the public interest. In this state with our compulsory insurance law this is especially true. As a public official given the administration of this business under the law, it is necessary that at all times I exercise sound judgment and exhaust every avenue of investigation before granting licenses to companies to engage in this business. The delays thus occasioned are rather trying to the persons interested, but they are necessary under my interpretation of my oath of office."

President W. J. Howard and Secretary J. A. Dolan of Broad Street Mutual, at the hearing, charged that "political pressure" had been brought on Mr. DeCelles to cause him to delay granting a license.

Other witnesses charged that the companies now in the field practice racial and religious discrimination in underwriting automobile insurance and brokers testified they needed the market of Broad Street Mutual in order to place hundreds of thousands of dollars of premiums.

Broad Street Mutual is located at 55 Kilby street and is associated with the Hub Insurance Agency and a financing setup.

The troubles of the commissioner are not over, however, for there still remain many other eager applicants for new insurance companies.

The Fort Hill Mutual Casualty is proposed by another group of Boston insurance men, but has progressed only so far as to get a proposition on paper.

Two companies are being organized in the city of Worcester, one by an Italian group and the second by still another group of local interests.

The Plymouth County brokers have pooled their interests in the hope of get-

ting a mutual casualty company in the Cape Cod section.

Boston Grocers Mutual would be still another Boston combination and at least three lawyers, representing three distinct groups, have approached the commissioner to outline plans for new companies.

The Canton Mutual Liability, which was given its license a little over a year ago and has built up a substantial business, is in the field for a fire company and a third stock fire company is sought by W. E. Lindsey, president of the Associated Merchants Mutual of Boston. Somewhat related is the plan of the Kemper interests to start a stock fire company to be known as the American Manufacturers Fire.

Manning & Sons, Dallas, Set Up New Life Department

DALLAS.—Establishment of a life, health and accident department on a statewide basis was announced by T. A. Manning & Sons, one of the oldest and largest general agencies of Texas. The firm, for many years prominent in the fire insurance field, will represent the Continental Assurance and Continental Casualty of Chicago, Blagden Manning, head of the agency, stated.

The new department will be in charge of E. M. Armitage, formerly with the Travelers' accident department for 15 years, first in Omaha, then in Dallas since 1928. He had charge of east Texas for the Travelers since 1931. His entire insurance career has been with the Travelers except for a short term with another company recently.

Life, salary allotment, group, annuities and accident and health lines will be offered by the department. Considerable agency development among local agents in Texas is contemplated, and a staff also will be established. The present agency set-up of the Continental Assurance in Texas will not be disturbed.

The Manning organization is the third large general insurance office in Texas to establish life insurance departments recently.

Consider Agency Contracts

WASHINGTON—The Bureau of Internal Revenue has before it and is giving consideration to the agency contract agreements submitted on behalf of the great majority of casualty and surety companies. It will decide whether the form justifies the contention that agents are independent contractors under provisions of the social security act.

Schilling's Son Shifted

W. O. Schilling, Jr., field supervisor of the U. S. F. & G. in the Minneapolis office for two years and son of the Chicago manager, has been transferred to Chicago associated with his father. The son has been assigned metropolitan and suburban territory, there having been a rearrangement of the field to give all the supervisors a share of each. W. O., Jr., retains the title of field supervisor. He is an alert youth who has been well tutored by his father in the insurance business and shows a strong liking for and understanding of the profession. He is equally valuable in the casualty and surety departments but his greatest interest, as with his father, is in the latter division.

Charles Elected President

NEWARK—At the annual meeting of the Surety Underwriters Association of New Jersey, E. H. Charles, Indemnity of North America, was elected president succeeding C. W. Quick. Other officers elected are: vice-president, D. B. Lumpkin, Maryland Casualty; secretary, R. W. Hawkins, New Amsterdam Casualty, and treasurer, O. H. Linn, Employers' Liability. The new board is composed of C. W. Quick, Aetna Casualty; C. J. Collins, Standard Accident; H. B. Hodge, National Surety; H. N. Hutchin-

son, American Surety, and W. G. Schryver, U. S. F. & G.

Franklin Secures Reinsurance

With the effecting of a reinsurance deal with London Lloyds on taxicab, long haul and class 3 trucks, the Franklin Mutual of Chicago, which is in rehabilitation, is in better position to service old clients on new insurance which they need. Reinsurance contracts previously were effected with the Employers Reinsurance and Motor Vehicle Casualty. The reinsurance facilities, C. C. Dawes, former president, now deputy rehabilitator, stated in no sense are to be taken as indicating a bid for new business. Writings have been greatly reduced. The reinsurance also does not apply to old business in force or to claims pending.

The Franklin filed with the department substantially increased rates for all automobile lines and taxicabs. These have been approved. Selected taxi risks are written.

Stage Trip to Mexico

DALLAS—Thirty-four agents of the Ernest Hundahl general agency of the Mutual Benefit Health & Accident and United Benefit Life were awarded trips to Don Martin and Monterrey, Mexico. The party, headed by Mr. Hundahl, was gone eight days. Dr. C. C. Criss, president; Sam C. Carroll, vice-president; F. S. Finch, chief underwriter, and E. S. Adams, conservation manager, were guests from the home office. Hundahl Day was observed the day prior to departure and 435 applications were received in Dallas during the day.

Commercial Group to Meet

The International Federation of Commercial Travelers Insurance Organizations will hold its executive committee meeting at the Edgewater Beach Hotel, Chicago, Jan. 24.

To Talk on Legal Work

Ambrose B. Kelly of the American Mutual Alliance will speak on "Unauthorized Practice of Law, and the Adjuster," at monthly meeting of the Casualty Adjusters Association of Chicago, Jan. 19.

Miss Bodecker's 25th

Miss Minette Bodecker celebrated her 25th anniversary with the National Bureau of Casualty & Surety Underwriters at a surprise reception given by fellow employees. She was presented with a gold wrist watch and a bouquet. Miss Bodecker is the first member of the staff ever to complete 25 years of service. She is now secretary to E. E. Robinson, secretary of the bureau. The presentation was made by Milton Acker, manager of compensation and liability department, who ranks next in service.

Gibbons with American Surety

James E. Gibbons, consulting engineer, until recently director of labor relations and earlier a special representative of the General Contractors Association of New York, has become associated with American Surety and New York Casualty to assist in the production, underwriting and settlement of claims on contract bonds.

J. W. Robb Dies Suddenly

ST. LOUIS—Joseph W. Robb, 57, comptroller of American Credit Indemnity, was found dead in bed in his apartment here Tuesday. The night prior to his death he was struck by an automobile near his home but apparently wasn't seriously injured. Mr. Robb was president of the Optimist Club of St. Louis in 1932.

Supporting Data Required

Experience figures must be submitted hereafter in filing applications for changes in automobile rate schedules in Illinois, Insurance Director Palmer advises. A number of companies, he reports, have filed changes without submitting supporting data.

POINTERS FOR LOCAL AGENTS

Pacific Coast U. & O. Forms

Any discussion of use and occupancy, particularly the contribution form, generally ends up with some reference to the "specified time" form used in Pacific Board territory. There are two important points in which this form differs from the contribution form used in all other jurisdictions.

The first point is the basis of coinsurance. The regular contribution form provides that the assured must carry insurance on the basis of net profit and all fixed charges and expenses, except ordinary payroll and light, heat and power, for one year. Another way of stating it would be that he must insure on the basis of his net earnings (total income less cost of raw material or cost of merchandise) less expense of light, heat and power. Since recovery is based only on actual loss sustained (lost profits plus such fixed expenses as must necessarily continue during a shutdown) this form is often criticized on the ground that it requires the assured to carry more insurance than he could ever collect. A good deal of this argument has been met by the introduction of the 80 percent contribution forms, requiring the assured to insure on the basis of 80 percent of his fixed charges and expenses, except light, heat and power. Since abating expenses rarely if ever amount to more than 20 percent of the assured's total earnings, few assured are required to carry more insurance than they could ever collect, if they insure under the 80 percent form. However, a higher rate is charged for this than for the 100 percent form.

The Pacific Coast "specified time" contribution U. & O. form meets this objection by making the coinsurance clause follow the insuring clause. That is, he is required to base his insurance on the items for which he would recover in the event of a loss. Further, the insurance is made very flexible by permitting the assured to specify just what items of fixed overhead he desires to insure against. A number of common items are listed in the form, such as taxes, interest, dues and subscriptions, salaries of executives under contract, etc., and the assured is permitted to add or exclude items.

Under the third item (ordinary payroll) the assured may, if he wishes, include the expense of light, heat and power and also the salaries of department heads not under contract.

The other important difference is the

length of the period of shutdown against which insurance may be carried. All the other forms base insurance on one year's shutdown—that is, the insured must carry insurance equal to his U. & O. value for one year. Many assured object to this, declaring emphatically that their plant could not possibly be shut down for a year, that three months or six months is the greatest shutdown they could possibly suffer. Whether this is true or not, there is no question but that insistence on carrying a full year's insurance has hampered the sale of use and occupancy.

It is claimed by many underwriters that the "specified time" form means little because use and occupancy underwriting, like any other form of insurance, is figured on the basis of total premiums to total losses. Consequently, they argue, the assured would be no better off if he were allowed to insure for less than a year, because the rate would have to be increased to bring the total premiums in line with losses.

This argument has not satisfied many assured and the "specified time" form of the Pacific Board aims at meeting this demand. Under it, the assured may carry insurance on the basis of a fraction of a year's U. & O. value. Twenty-five percent of a year's U. & O. value, or three months, is the minimum period on which insurance may be based. Under this form the assured is required to carry insurance based on his U. & O. value for that period and loss is not payable in the event of a shutdown for a longer period, even though a partial shutdown does not exhaust the insurance completely during the three months or other specified time. The rate increased materially for the "specified time" form. For insurance on a full year's shutdown (100 percent coinsurance) the rate is 120 percent of the per diem U. & O. rate. On a 50 percent basis (six months) it is 150 percent of this rate and on a 25 percent, or three months, basis, it is 225 percent of the per diem U. & O. rate.

The consensus of opinion on the Pacific Coast is that the assured does not save much money by using the "specified time" form for a short period, and does not have catastrophe protection, but he likes it better and it can be sold to him more easily. For that reason, Pacific Coast insurance men are enthusiastic about the form and in general

the companies appear to be satisfied with it.

A point often overlooked is that the Pacific Coast has a regular contribution U. & O. form, substantially similar to that used in the east and middle west, in addition to the "specified time" form. Consequently, to be accurate, when referring to this form the term "specified time" form should be used, although insurance men very commonly refer simply to the "Pacific Coast" form. Actually, the regular contribution form is seldom used in Pacific territory, most business being written under either the per diem or the "specified time" form.

ANSWERS

Question—There is sometimes confusion in the minds of agents as to the differentiation between a surety contract bond, a completion bond and a bond guaranteeing interest and principal of real estate bonds or mortgages. I wonder if you can tell us the difference and also explain to whom the bond runs in each instance.

Answer—A contract bond is written to protect the owner of property. It guarantees that the contractor will complete the building according to the terms of his contract and deliver it to the owner free and clear of liens and encumbrances.

A completion bond is written in favor of a lender of money. It guarantees that the owner of property, who has borrowed money to complete some improvement on it, will honestly apply the money to the completion of the construction work. A surety company will seldom issue a completion bond unless the contractor on the job is also covered by a contract bond.

A bond guaranteeing real estate bonds or mortgages runs in favor of the investors of money in the project and guarantees them the principal and interest will be paid them. Such bonds are now rarely if ever written by surety companies, past experience having been very unfavorable during the period when bond issues were defaulted with monotonous regularity.

Question—Will you be kind enough to advise us who writes flood coverage?

Answer—There is no company that will write flood insurance for single assured. Some of the companies will write flood insurance for national chain stores where they have the insurance throughout the whole country. There

SALES IDEAS OF THE WEEK

Small Business Houses Are Fidelity Bond Prospects

Many agents overlook small business houses in the solicitation of fidelity bonds. The American Institute of Accountants in a study declares that dishonesty costs American businessmen a total of \$405,000,000 every year. Yet when the matter of covering against embezzlement is taken up it is found that not more than 5 percent of the employers carry fidelity bonds. Then a further analysis will show that the 95 unprotected houses are largely of the medium size or smaller size that need the protection most. Very often an embezzlement causes a bad jolt to a smaller concern. Most of the banks and larger houses where considerable amounts of money are handled are protected. They appreciate the value of the fidelity bond.

Along with the solicitation of the fidelity bond solicitation for a forgery bond can be made. Fidelity bonds run from \$10 up and sometimes they mount up to real money. It is always a good plan where an agency has a solicitor or someone in the office who is anxious to get some experience to have him make a cold canvass among business houses for this bond. Furthermore, the fidelity bond may be an approach to other business. There is nothing like calling on people, getting their interest, showing that the office is alive. During the conversation a number of insurance points can be brought up. At the present time the solicitation of fidelity bonds would be a good line to take up.

Protect Christmas Presents

In the Christmas issue of "Tips-of-the-Month," issued by Anderson-Bramwell Company, Kansas City, there was a heading: "This is not a Christmas shopping list, but we do write all risk floater policies to cover these articles in any location." Then a list of such articles as personal jewelry, guns, fine arts, Oriental rugs, fishing tackle, personal effects, silverware, etc., were written in an irregular manner so as to look like notes for Christmas presents.

has been some flood insurance written in London Lloyds. However, if you want to get insurance for a single customer there is no market for it.

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Kansas Veterans Are Honored

Honorary Life Memberships in State Association Presented to Sam F. Woolard and Rosse Case

WICHITA, KAN.—Sam F. Woolard, retired Kansas state agent of the Commercial Union companies and Rosse Case, veteran local agent of Marion, Kan. former president of the Kansas Association of Insurance Agents, were formally presented with honorary life memberships in the Kansas association at the annual Christmas party of the Wichita Insurors. Among the guests at the party of nearly 200 were Glenn D. Hussey of Topeka, president and Wade Patton of Hutchinson, secretary of the Kansas association; Will S. Thompson and N. N. Kline of Hutchinson, Alex Case of Marion and over a score of Wichita public officials, office employees of member agencies, field men and adjusters.

To Honor Clyde B. Smith

Mr. Thompson, who proposed Mr. Woolard's election to honorary life membership at the October convention of the Kansas association, made the presentation to him and C. K. Foote of Wichita, former president and secretary of the association, made the presentation to Mr. Case. Mr. Case had been voted his honorary membership some years ago but formal certificates had only recently been prepared for presentation. Clyde B. Smith of Lansing, Mich., former president of the National Association of Insurance Agents, is being forwarded a similar certificate, having been voted the same honor a few years ago.

Elwood Smoll, former president, was chairman. A musical program was directed by George B. Tack, district agent National Life of Vermont, and A. N. Booth, general agent Massachusetts Mutual Life, was "Santa Claus."

Both Mr. Thompson and Mr. Foote told of the many years of fine and un-

excelled service to stock insurance by both Mr. Woolard and Mr. Case and how the agents and insuring public had benefited from their work. Each responded briefly.

"Revived" Company Cannot Operate Under Old Laws

LINCOLN, NEB.—Filing of articles of incorporation of a domestic insurance company and their approval by the insurance department do not have the legal effect of conferring a charter on it, in the opinion of John S. Logan, department attorney. In the case of an insurance company, its continued existence as a corporation authorized to write business in the state is subject to the authority of the insurance department and it is required yearly to secure a permit or license to do business.

The ruling was made in connection with several tentative applications by groups of promoters who desired to operate under articles of incorporation issued to companies that have been moribund for several years. In one instance the department was informed the group had paid \$1,200 for control of a company once quite active in the state but which has not written any business for a number of years. In that case the argument was made—and rejected—that a revived company could operate under the laws in existence at the time it was first incorporated. Mr. Logan said if this were true, the legislature's power to correct evils found to exist under old conditions would be greatly restricted.

This is not the only type of promotion that is being attempted. One group that secured control of an assessment hail company and desired to change it into a fire company asked that it be permitted to transfer the balance in the loss fund to its assets. It was informed that this money belonged to the policyholders and must be redistributed to them, the law setting aside for this purpose 50 percent of every premium paid.

Connecticut General in Nebraska

The Connecticut General Life has entered Nebraska and established an office in Omaha under the direction of the Omaha Insurance Agency, which now enters the life insurance field.

Irving R. Zerzan, secretary-treasurer of the agency, is in charge of business development in the new life department.

Launch New Ohio Mutual

The Scioto Mutual Fire of Columbus, O., has been incorporated as a running mate of the United Mutual Casualty of Columbus. The officers will be the same in both companies.

Dayton Agents Elect Jan. 10

The Dayton (O.) Association of Insurance Agents will hold its annual election Jan. 10. Two nominating committees have placed this ticket in the field, but nominations will be permitted from the floor: President, Bruce C. Shepherd; vice-president, G. C. Pohlmeier; secretary, A. R. Althoff; treasurer, W. R. Keyes; directors, L. T. Meuche, J. R. Jones and Oscar Olt. Mr. Shepherd is now secretary.

New Mixed Agency Board

OSHKOSH, WIS.—A new local board has been organized in Oshkosh by local agents having mutuals in their offices. George T. Sullivan has been elected president; C. A. Libbey, vice-president; A. T. Hennig, secretary, and O. W. Procknow, treasurer. Mutual,

stock and mixed agencies are eligible for membership, the requirements providing that a person must be a full-time agent making his livelihood in the insurance business on a commission basis, although participation of an agent in kindred lines will be permitted. A similar board of agents in Winnebago county is planned under sponsorship of the new local board group.

Cincinnati Committee Named

Max Bernstein, T. T. Bryant and T. M. Geoghegan were elected to the governing committee of the Cincinnati Fire Underwriters Association succeeding C. A. Meyers, Frederick Rauh and Theodore Safford. Holdover members are E. B. Dillhoff and G. B. Wilson. The committee will shortly select from its membership the officers of the association for 1938.

Two Buy Urch Agency

Philip B. Carlson and Elmer E. Peterson, operating as the Batavia Insurance Agency, have purchased the L. L. Urch agency of Batavia, Ill. Mr. Peterson will devote his entire time to the agency. Mr. Urch is retiring from the field, being a candidate for sheriff.

S. D. Fire Department Tax

PIERRE, S. D.—On inquiry from Commissioner Dunn, the state legal department holds that in computing the premium tax for the benefit of fire departments, only the fire portion of automobile insurance policies may be used as the basis for such collection.

Liquidator Named for Mutual

OMAHA—H. T. White, an attorney, has been appointed liquidating agent for the Nebraska Mutual, recently turned over by the court to Director Smrha for liquidation. The department has levied a special assessment covering the remainder of the limited yearly assessment for 1937.

Laurenson Heads New Committee

Charles R. Laurenson of Canton, O., a former trustee of the Ohio Association of Insurance Agents, has been appointed chairman of the association's new accident prevention campaign committee. More than 30 local boards are also naming committees and the chairmen of these will serve with Mr. Laurenson on the state committee.

All Licenses Issued

INDIANAPOLIS—Under the system operating in the Indiana insurance department all applications for fire and casualty agency licenses received up to the close of the year have been passed upon and licenses issued as of Jan. 1. "We are now working up applications from day to day as received," says Deputy Commissioner J. D. Cramer.

Now Frank S. Rogers, Inc.

ST. PAUL—Frank S. Rogers has purchased the interest of the stockholders of Rogers & Field, and the general agency will now be known as Frank S. Rogers Agency, Inc., general agents.

The companies represented are: American Home Fire, British America, British & Foreign Marine, Columbia Fire Underwriters, Eagle Indemnity, Homeland, Seaboard Fire & Marine, Union Marine & General, Western Assurance, Yorkshire.

Walter Elected at Oshkosh

OSHKOSH, WIS.—J. C. Walter has been elected president of the Insurance Underwriters' Association of Oshkosh, succeeding F. L. Conroy who has completed two terms. E. A. Binder was

elected vice-president to succeed Mr. Walter. Charles W. Conrad was renamed secretary-treasurer. I. S. MacNichol and E. A. Binder were elected to the board of directors, which also includes Mr. Walter, Mr. Conroy and D. D. Harmon, Jr.

The Oshkosh organization is nearly 50 years old and has been active in the advancement of stock fire insurance, the local agency system and in meeting state fund competition.

Examine Agents in Detroit

LANSING, MICH.—Following an accumulation of license applications in Detroit, the Michigan department has just conducted its first examination outside Lansing under the new qualification law.

Seth Burwell, in charge of the licensing division, personally conducted the Detroit examination. Fifteen applicants appeared to take the tests after 26 had been notified to be present. Of those examined only two failed to receive a passing grade.

The department issued but 25 new fire licenses in November, part of which, Mr. Burwell said, represented applications on file before the new law took effect. In November, 1936, 50 licenses were issued.

Opens Kansas City, Kan., Office

The Western Adjustment Company is opening a Kansas City, Kan., office at 514-15 Huron building with F. D. Hawkins and James Naismith as resident adjusters. It will operate under the Kansas City, Mo., office, of which W. G. Chestnut is manager.

A. F. Wilcox in New Post

A. F. Wilcox has been appointed special agent in western Iowa with headquarters in Carroll for the Mutual Fire Underwriters of Cedar Rapids, Ia. Previously he had been in the Iowa and Nebraska field for Grain Dealers National Mutual Fire.

Washington Assurance in Illinois

NEW YORK—Washington Assurance, running mate of Merchants of New York, has appointed DeBarry & Williams, 222 West Adams street, Chicago, its general agent for Illinois, outside Cook county. DeBarry & Williams are Illinois state managers of Lincoln National Life and also transact a general business.

MIDWEST NOTES

Mrs. C. S. Hulbert of Ashtabula, O., has sold her late husband's agency to Philip Smith.

The McKnight General Agency of Enid, Okla., has opened an office in Wichita, Kan., in the First National Bank building.

George J. Kroeff of the Kroeff Realty & Insurance Co., local agency at Sheboygan, Wis., and Miss Esther B. Sand, formerly of Racine, Wis., were married in Sheboygan.

The Armbruster Insurance Agency, 8854 St. Charles Rock Road, St. Louis county, Mo., has been incorporated by J. H. Armbruster, William LaBarge, C. D. Jost, O. J. Christmann, W. A. H. Boenker and Viola A. Waney.

Willis M. Tolles, 53, pioneer insurance agent of Rock county, died in Janesville, Wis., after a two-month illness. He was an officer of the Farmers Mutual of Union for 50 years, and for 35 years conducted a local agency at Evansville, Wis.

Lester G. Carpenter, Peoria, Ill., local agent, has sold his business to the Bourland Agency and gone into another field of endeavor. R. F. Peters, who owns and operates the Bourland agency, formerly was a field man of the General of Seattle.

The name of Martin Schroder & Co., Savannah, Ga., has been changed to the Lynes Insurance Company. It is now composed of W. F. Lynes, R. G. Lynes and W. F. Lynes, Jr.

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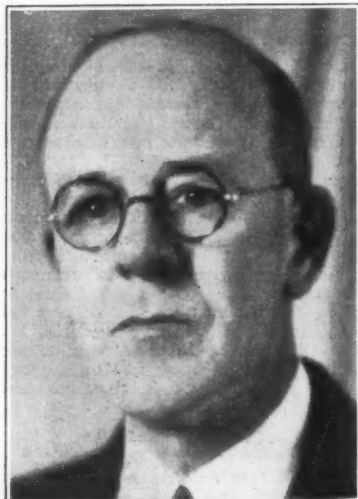
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IN THE SOUTHERN STATES

Saint Takes Tennessee Post

Secretary - Manager Oklahoma Association of Insurers to Transfer to Similar Position in Nashville

OKLAHOMA CITY—John D. Saint tendered to the executive committee his resignation as secretary-manager of the



JOHN D. SAINT

Oklahoma Association of Insurers. He has accepted a similar connection with the Tennessee association and as soon as his release from his present position can be effected, he plans to remove to Nashville, where he will assume his new duties immediately. His resignation has

not yet been officially accepted by the Oklahoma executive committee, nor has his successor been selected.

Mr. Saint has been with the Oklahoma association nearly two years. Previously he was manager of the North Carolina agents association and before that was manager Louisiana Insurance Society.

Plan Texas Casualty Meet

Concentrate on Few Subjects at First Annual Gathering—Safety Work to Be Considered

DALLAS—At the first annual meeting of the casualty and surety branch of the Texas Association of Insurance Agents in Dallas Jan. 24 particular attention will be concentrated on only a few subjects so as to cover the field in an interesting and profitable manner. The sessions will be held at the Adolphus Hotel.

The program was worked out at a meeting of President J. R. Morris of Texarkana, Secretary D. G. Foreman of Fort Worth, R. W. Thompson, chairman of the casualty division of the state association; Cruger Smith and several members of the Dallas Exchange.

The subjects to be discussed are: Blanket bond forms, automobile insurance, agents and safety campaigns, miscellaneous casualty coverage and workmen's compensation. This discussion will be followed by a question box. The list of speakers has not been completed.

In connection with the discussion of automobile coverage, rate trends and such allied subjects as accident insurance, the part the insurance agents can and should play in campaigns for safety

on highways and streets will be aired, Mr. Thompson said. It was pointed out that with automobile fatalities increasing, it is high time the casualty insurance agents do what they can to check the trend. Mr. Thompson said some definite plan for the agents in connection with traffic accidents probably would be formulated at the convention in connection with a discussion of the need of more automobile protection by automobile owners against all hazards provided by insurance companies.

A considerable amount of stress will be placed on the sale of miscellaneous casualty lines as profit makers for the agents.

The question box at the close of the session will afford agents an opportunity to ask any question concerning casualty and surety lines and have them answered by men who "know what it is about." Questions will be dropped in the box during the day and opened, read and answered as the closing subject on the program.

It is expected some 200 agents from all sections of the state will attend the meeting. Mr. Thompson says much interest has been worked up at the several regional meetings.

Savannah Bank Issue Settled

Atlantic Mutual Withdraws from the Atlantic Savings & Trust Co. but Millers Mutual Enters the Office

SAVANNAH, GA.—The bank agency issue here which caused much controversy in the Savannah Local Board of Fire & Casualty Underwriters and later was taken before the Georgia Association of Insurance Agents, dividing agents into two camps has been settled in principle by the Atlantic Mutual Fire of this city withdrawing from the Atlantic Savings & Trust Co. The Atlantic Mutual is allied with the Atlantic Insurance & Investment Co., a local agency of which Fred Wessels is president, he being also vice-president and secretary of the Atlantic Mutual. The agency is a member of the local board and Mr. Wessels is an ex-president. The Atlantic Savings is a building and loan institution and does no banking, hence Mr. Wessels contended the appointment was not in violation of the bank agency resolution of the National Association of Insurance Agents. In fact in the meetings he claimed some local board people had expressed themselves in the same way. Affiliated with the Wessels office is the Southern Savings & Loan Co., Mr. Wessels being manager, which does a business of like nature to the Atlantic Savings.

Some of the more militant local board members held that the appointment violated the bank agency rule in principle and if the Savannah Local Board allowed it to stand, a precedent would be established which would be a dangerous one even with a friendly home mutual involved.

The Atlantic Mutual has a splendid agency plant in the state, is one of two domestic mutuals that are permitted in regular agencies and it secures the Southeastern Underwriters Association rates. The two excepted mutuals are the Atlantic Mutual and Southern Mutual of Athens, Ga.

When the issue came before the state association, there was a sharp division of opinion, causing considerable feeling. Not long ago two close friends of Mr. Wessels in the Savannah Board appealed to him to bring about amity as he had always been regarded as a fair competitor.

The upshot was that the Atlantic Mutual retired from the Atlantic Savings office but Mr. Wessels supervises its insurance affairs. Now the Millers Mutual Fire of Alton, Ill., a nonconformist company, is taken on by the Atlantic Savings but the agents here are satisfied that Mr. Wessels will be able to keep it in line with local board requirements.

Mr. Wessels has been relied on by the

local agents to keep the outside mutuals within proper bounds and he has well fulfilled that mission. He has most of them in his own agency. However, during the last few weeks salaried solicitors for two nonagency mutuals have been seeking business here and this is disquieting.

Virginia Membership Drive

RICHMOND—Plans were to be shaped this week for a statewide membership campaign by the membership committee of the Virginia Association



JANUARY, 1938

● Speaking about New Year's resolutions, here are a few that should be on your list: resolve to make a definite quota that is based fairly on business conditions—resolve to carry out a definite plan for going after new business and hold old—resolve to put all business on a thirty-day basis insofar as possible.

● Push Household Furniture Insurance this month. Christmas gifts of furniture, rugs, radios, pianos, and other things in the luxury class have increased home furnishing valuations. Get in touch with your customers and suggest that their policies should be increased to take care of new purchases and gifts.

● Start reading the social columns of your local newspaper for tips on those going away this winter. Winter vacationists need Personal Effects Insurance. We have furnished our agents with a proven sales plan and a supply of the resultful folder, "Outside Your Home."

● Folders play an important part in building up premium income. Agents approve our folders. And there's a reason. We work in the knowledge that dullness in advertising is disaster. That people will read a folder if it is more interesting than anything else in the mail. Write for a sample set of our folders. Compare them with those you are now using. There is no obligation.

● To agents who have resolved to make more money in 1938, we offer "Planned Progress," a booklet describing a plan original in its solution of sales problems yet sane in its methods of operation. And most important of all—a plan highly profitable to the agent who uses it. Your determination together with the right plan can make positive the success of this year's effort. Write for the booklet.

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of Insurance Agents at a meeting here. On the committee are R. E. Hawks, Portsmouth, chairman; Stuart Ragland, Richmond; Fred M. Davis, Lynchburg. The association closed the year with 278 members on its rolls. More than 50 were added the past year and it is hoped to add materially to the enrollment during the forthcoming membership drive. Oscar H. West, the new state manager, will assist the committee in the drive.

Same Companies for 45 Years

Henry Bodenheimer & Son, Shreveport, La., is celebrating its 45th anniversary. The agency calls attention to the fact that it has represented the same companies since it was organized. Officers of the agency are: Henry Bodenheimer, president; A. C. Bodenheimer, vice-president and treasurer; J. H. Mayfield, vice-president; Olive Chappel, secretary; Miss L. M. Enloe, assistant secretary.

Weiss Suit to Be Dropped

ATLANTA — The suit of Sidney Weiss against the Pacolet Company in Gainesville, as informer against that corporation for placing of insurance in unauthorized companies, will not be carried farther it was announced here. Weiss recently lost the decision in his case in the Georgia supreme court.

Takes Switzerland General

The Sloan & Co. general agency of San Antonio, Tex., has been appointed Texas representative of the Switzerland General.

Tennessee Receipts Up

NASHVILLE — Net receipts of the Tennessee department of insurance and banking reported by Commissioner McCormack for the year through Dec. 23 totaled \$1,457,057. The addition of revenue

Fire Department Aids in Selling Adequate Cover

The San Antonio fire department has a rubber stamp that is used on every piece of literature and package sent out from the department:

"The fire department may extinguish your fire but it cannot pay your loss. Are you carrying sufficient fire insurance?"

nue of the fire marshal's office will bring the figure to approximately \$1,500,000. In 1936, for the full year, revenue was \$1,430,945. Collections included \$1,178,539 from premium tax and \$105,408 in privilege tax by insurance agents. Salaries paid by the division of insurance amounted to \$53,427.

Virginia Legislature Meets

The Virginia legislature will meet in biennial session next week for a two-month session. The Virginia department plans to sponsor only a couple of bills of a clarifying nature but there will probably be other insurance legislation up for consideration.

Redden in Richmond

T. G. Redden, president North Carolina Association of Insurance Agents, spent the week-end in Richmond, Va., with L. E. English, president American Association of Insurance General Agents, and saw the old year out there. W. Owen Wilson, immediate past president of the National Association of Insurance Agents, and B. P. Carter, past president of the American association, assisted in showing him a good time during his visit.

PACIFIC COAST AND MOUNTAIN

Honor Retiring Managers

Dinner to Be Given in San Francisco Jan. 12 for Hoadley, Branch, Goodwin and Avery

SAN FRANCISCO—Fire company managers and associates are feting four of the "old timers," who are retiring from active business after more than 40 years with their respective companies at a dinner Jan. 12.

The honor guests are George O. Hoadley, American of Newark; Fred M. Branch, New York Underwriters, and Benjamin Goedwin, St. Paul Fire & Marine, who retired Jan. 1, and Frank M. Avery, Fire Association, who retires Feb. 1.

The committee in charge of arrangements is composed of Clifford Conly, Great American, chairman; Arthur M. Brown, Edward Brown & Sons; Thomas H. Anderson, retired, and Willard O. Wayman, National of Hartford.

It is the first time in the history of the fire insurance business in San Francisco that so many managerial changes have been made within a single year. In addition, J. B. Levison retired in 1937 as president of the Fireman's Fund. McClure Kelly, North America; C. I. Magill, Home of New York; Barclay Henley, of Henley & Scott, and Edwin Parrish, America Fore, died during the year.

Others who retired last year include Harry Benner, veteran assistant manager of the Great American and Phoenix of Hartford; G. E. Oxley, veteran claim manager of the London Assurance, and G. F. Guerraz, assistant manager Liverpool & London & Globe at Seattle.

Employees of the Behrendt-Levy Agency of Los Angeles received a Christmas present in the form of a month's salary for the men and one-half month for the women.

Broker Must Be Licensed

California Commissioner Rules Producer Must Be Authorized to Place Life Business

SAN FRANCISCO—A life agent cannot split commissions or accept business from a general insurance broker unless the broker is licensed by the accepting company; neither can a company accept business direct from a general broker unless he is licensed, according to a ruling given the San Francisco Life Underwriters Association by Commissioner Carpenter in reply to a query propounded by T. A. Gallagher, chairman of the association's business practice committee.

Mr. Gallagher said he had been advised that a number of companies were permitting their licensed agents to take business from general brokers. Mr. Carpenter said:

"Paying commission to any person not licensed as a life agent upon life insurance business is a rebate. A broker is not a life agent. Any agent making arrangements whereby commission so received by him is paid to a broker merely participates in the guilt of the company. If the company has no knowledge and has no reason to have knowledge of the transaction, then perhaps the agent alone is guilty. In any event, such a transaction is a basis for action against the offending party's license by this division."

Benjamin Goodwin Honored

SAN FRANCISCO—Employees of the Pacific Coast department of the St. Paul Fire & Marine honored their retiring "boss," Benjamin Goodwin, at a luncheon. The long association with Mr. Goodwin was feted by speech and toast together with regrets at his leaving after 48 years of service with the company.

EASTERN STATES ACTIVITIES

Problem on Supplemental

Technical Violation of Rules Alleged in Philadelphia in Connection with Perpetual Policies

PHILADELPHIA — Recent occurrences in Philadelphia, illustrating the need for the supplemental contract, have created a demand for the additional coverage. This demand, in turn, is said to have resulted at times in violation of the rule regarding the issuance of the contract.

As a result, the Eastern Underwriters Association is reported to have contacted its members in the Philadelphia territory requesting the names of those that are violating the rule.

Situation Complicated

Under the present rule, the supplemental contract is supposed to be sold in conjunction with the regular fire insurance policy. However, Philadelphia, home of two of the oldest and strongest fire companies in the country, also has quite a bit of perpetual insurance in force. With the perpetual policy, it would be impossible for the assured to secure the supplemental contract.

Some offices are reported to be getting around that by having the owners of perpetual policies take out a regular \$1,000 fire policy and then placing the supplemental coverage with that policy. Technically, this is said to be a violation of the supplemental contract rule. However, no ruling on this practice, if it exists, is expected until the E. U. A. completes its investigation. Whether it will hold that in cases of this sort the supplemental contract can be issued by itself, or whether it will stand by its

original ruling that it can be written only in conjunction with a fire policy, is a point that Philadelphia agents are eager to have settled.

R. A. Sullivan Nominated to Head Boston Board

BOSTON—Robert A. Sullivan of Hinkley & Woods has been nominated for president of the Boston Board, to be voted on at the annual meeting Jan. 11. The nominating committee, headed by Frank A. Dewick of Dewick & Flanders, offers the following nominees for other offices: Vice-president, A. J. Anderson, O'Brien, Russell & Co.; secretary-treasurer, James Davis; manager, Isaac Osgood; assistant manager, Percy E. Nute; executive committee, W. S. Gierasch, Boit, Dalton & Church; C. L. Powers, Travelers Fire; F. J. Connors, F. J. Connors & Co.; H. A. Kneeland, John C. Paige Co.; W. A. Flanders, Dewick & Flanders, advisory committee, American Equitable, New Hampshire Fire, and John H. Eddy, John H. Eddy & Co.

Two Promotions Announced by Factory Association

The Factory Insurance Association of Hartford has appointed Winthrop M. Jones chief engineer. He has been with the association since graduation from Worcester Polytechnic Institute in 1913, serving as inspector, engineer, field manager of the Philadelphia office, special representative at the New York City office and for the past year special representative in Hartford.

W. H. Forristall is appointed assistant superintendent of the underwriting de-

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partment, replacing G. W. Woodward, transferred to executive special agent in the business development department. Mr. Forristall has been with the association since his discharge from the navy after the war in 1919. For a number of years he was in the underwriting department in clerical work, and finally as a supervisor. He served in the field for ten years as inspector, engineer and special agent with headquarters at Buffalo. The past two years he has been executive special agent in the business development department.

W. D. Lamon Named to Head Burlington County Agents

MOORESTOWN, N. J.—At a meeting of the Burlington County Association of Insurance Agents, W. D. Lamon of Palmyra was elected president, succeeding H. F. Stockwell, Jr., who has served for two terms.

Other officers elected are: W. H. Ab-salom, Mount Holly, vice-president; Arthur Cutler, Maple Shade, secretary-treasurer. The new executive committee is composed of H. F. Knight, Moorestown; Elizabeth L. Talt, Rancocas; E. A. Kashner, Florence; Shreve Taylor, Burlington, and the officers.

In recognition of Mr. Stockwell's work, a testimonial dinner will be held some time in January. A number of prominent insurance agents from all parts of northern New Jersey will be invited, as will all present and past officers of the New Jersey Association of Underwriters, some of whom will be among the speakers.

Service Men's Association to Retain Present Name

BOSTON—At a meeting of the advisory committee of the Service Men's Protective Association suggestions for changing the name of the organization to one which might be more descriptive were rejected. The disadvantages of a change in name far outweigh the expected benefits of any suggested new name, it was decided. Several changes in by-laws were agreed upon to be submitted to the annual meeting on Jan. 21.

A legislative program and position

were discussed and agreed upon for report to the annual meeting, with such intermediary action as might be necessary. Consideration was given an educational program to show the public the disadvantages accruing from direct selling in insurance.

Considerable thought was given to the application of legislation now on the books of the commonwealth of Massachusetts referring to misleading, untrue or exaggerated statements in advertising. There is ample law now to protect the public, but there seems to have been no attempt to enforce it or any means set up by which violations of the intent of the statute can be brought to the attention of the proper authorities, it was held.

Watertown Agency Deal

Clarence J. Green, owner and manager of H. D. Goodale agency of Watertown, N. Y., has purchased the E. A. Chick agency. The Goodale agency now represents 23 companies, having added eight by the purchase. The agency dates from 1845. Mr. Green has been in control of the business since 1912. The Chick agency had been operated for the past 10 years by Selby C. Folkes.

Massachusetts Brokers' Dinner

BOSTON—The Massachusetts Brokers Association will have a dinner meeting Jan. 24. There will be a floor show and discussion of the meeting of the National Association of Casualty & Surety Agents at White Sulphur Springs, the automobile re-rating plan and the Massachusetts Service Men's Protective Association.

President Harry Moore of Moore & Olive is in charge of the program.

N. J. Insurance Square Dance

NEWARK—The Insurance Square Club of New Jersey, of which D. J. Cullen has just been elected president, will hold its annual dance and entertainment Feb. 25. An attendance of more than 1,000 is expected.

Mr. Cullen is president of the Passaic County Association of Insurance Agents and is Passaic county vice-president of the New Jersey Association of Underwriters.

IN THE CANADIAN FIELD

Canadians Much Concerned Over Recent English Ruling

TORONTO—Automobile underwriters are watching with considerable concern the effect of a recent decision in the English house of lords granting substantial damages for loss of "enjoyment of life." The decision has already been cited and followed in an Ontario court and it is held by a distinguished Canadian jurist to be one of the most important decisions of recent years so far as casualty insurance is concerned.

Automobile underwriters are already pointing out to their policyholders that the common \$5,000/\$10,000 limits in most automobile policies are, in view of this decision, dangerously low; that whereas \$10,000 formerly covered most cases of injury or death, damages on the "enjoyment of life" clause might be much higher.

Higher rates for automobile insurance

now appear to be almost certain. In recent years, despite a small increase in premiums in 1937, automobile losses were dangerously high. Increases averaging around 30 percent for normal automobile coverage were shown to be actuarially justified in a recent study. Whether rates will advance that amount at a single leap appears doubtful. It is understood, however, that most if not all non-tariff companies are prepared to follow the tariff companies in any upward adjustment of premiums.

Confusion on "British General"

TORONTO—The British General, recently confused with a company operating under the same name in Newfoundland, has not carried on business there for some years, according to H. F. Roden, deputy manager for Canada.

The confusion arose when it was reported that the "British General" was among three insurance companies whose books were seized on an order issued

under the authority of the frauds prevention act. The company referred to was purely a local firm and not the London organization which is associated with the Commercial Union group.

Lloyds in Drive for Business

TORONTO—The recent deposit made by Lloyds non-marine underwriters with the Ontario and Quebec departments was for the purpose of smoothing the way for a vigorous drive for new business, it has developed here.

However, the Toronto city council turned down the bid of Lloyds to look after the city's municipal insurance, although this bid was 15 percent lower than the next high bid.

Meeting on Classifications

TORONTO—Reclassification of fire losses and of kinds of insurance for licensing purposes were discussed at a meeting here by W. E. Baldwin, president All-Canada Insurance Federation; H. D. McNairn, Ontario superintendent; W. H. Gilliland, representing the Dominion department, and a committee of company representatives. The meeting arrived at tentative solutions to both problems, which will be studied by the interests concerned.

MOTOR

Hits Service Organizations

Better Business Bureau of St. Louis Asks Superintendent Robertson to Investigate Flagrant Abuses

ST. LOUIS—W. C. Rosenbaum, head of the investors division of the Better Business Bureau of St. Louis, has suggested that Superintendent Robertson conduct an investigation into the insurance features in the membership contracts of various automobile road service organizations operating in Missouri.

Mr. Rosenbaum contends the payment of personal injury and property damage claims and other services ostensibly provided in the membership contracts are actually insurance matters and for the protection of the public should be under the regulation of the Missouri insurance department.

The Better Business Bureau in recent months has received many complaints from automobile owners that salesmen for the road service organizations had represented their membership contracts contained indemnity insurance provisions. Others complained that certain of the organizations have failed to fulfill their obligations under their contracts.

Several Reputable Concerns

There are several reputable concerns that provide mechanical assistance, such as towing and repairs, tourist information, etc., for a regular fee, and the Better Business Bureau has no complaints against those organizations. But there are other concerns that thrive among new automobile owners and persons who can't afford to buy liability insurance at the regular rates. The representations of the salesmen lead to distorted ideas of the service provided for under the contracts and since few persons bother to carefully read their contracts many are not aware that they

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CARL H. LAMBACH, HOWARD E. KOPF, A. FRED BERGER
Attention to trial work in all courts. Investigation and Adjustments in Eastern Iowa and Northwestern Illinois. London Guar. & Acc'l. Market Service, Illinois Casualty, others on request.

BRADSHAW, FOWLER, PROCTOR & FAIRGRAVE

Suite 510 Crocker Building
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Representing Continental Casualty—Loyalty Group—Hartford Accident and many others. Equipped for investigations and adjustments of Insurance Claims.

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Frank J. Comfort George P. Comfort
1107 Southern Surety Building
Des Moines, Iowa
Massachusetts Bonding & Insurance Co., Casualty Reciprocal Exchange. Trial of civil cases. Investigations and adjusting.

STIPP, PERRY, BANNISTER & STARZINGER

LAWYERS
1009-1023 Bankers Trust Building
DES MOINES, IOWA
Travelers—Northwestern Life Co.—Globe Indemnity—Fireman's Fund. Equipped for investigations, settlement of claims and trial of all insurance cases in State and Federal Courts.

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706-704 Security Building
Sioux City, Iowa
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KANSAS

O. R. STITES

Citizens National Bank Building
Emporia, Kansas
Travelers, U. S. Fidelity & Guaranty, Western Casualty & Surety, Maryland Casualty, many others. Investigations, adjustments.

KANSAS (Cont.)

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Continental Insurance Co., Chicago, Ill., S. W. Greyhound Lines, Central Surety Company, Fidelity & Deposit Co., Baltimore. Equipped for investigation and reports.

HALL & CLARK

303-304 Wolcott Building
Hutchinson, Kansas
Specializing in all phases defense of insurance companies.
Reference: Western Adjustment & Inspection Company.

NORRIS & JENKINS

Public Utility Bldg.
Salina, Kansas
Insurance Companies represented: Fidelity & Casualty, Fidelity & Deposit, Loyalty Group, American Surety, Hardware Mutual and many others. Equipped for investigations, adjustments and trial of cases in Northwest Kansas.

Doran, Kline, Colmery, Cosgrove
903 National Bank of Topeka Bldg.
Topeka, Kansas
Equipped for investigation, adjustment, settlement and trial of insurance business of all kinds in Kansas.

HART, PORTER & McDONALD

545 Fourth National Bank Bldg.
Wichita, Kan.
Representing the U. S. Casualty Co. of New York, Fidelity & Deposit of Md. Equipped for investigations and adjustments in territory.

KENTUCKY

WILLIAM J. GOODWIN

1017 Kentucky Home Life Building
Louisville, Kentucky
Investigations, adjustments and trial of all insurance cases in State and Federal courts. Former trial attorney for City of Louisville.

WOODWARD, DAWSON & HOBSON

Insurance Attorneys
615-24 Kentucky Home Life Building
Louisville, Kentucky

LOUISIANA

McCOY, KING & JONES

Suite 515 Weber Building
Phone 466
Lake Charles, Louisiana
American Auto Ins. Co., American Surety, Employers Group, Fireman's Fund Ins. Co., Maryland Casualty, Travelers Group, U. S. F. & G., and many others. Investigations and adjustments all over this territory.

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New Orleans, La.

Representing the American Bonding Co. and Fidelity & Deposit Co. forty-three years. Special representation Continental Casualty and United States Casualty.

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Roszel C. Thomson
Clater W. Smith
Baltimore Trust Building
Baltimore, Maryland

MASSACHUSETTS

AVERY, DOOLEY, POST & CARROLL

177 State Street
Boston, Massachusetts
Factory Mutual Insurance Co., Bankers Indemnity Co. of Newark, Builders & Manufacturers of Chicago, Pacific Indemnity Co. of Los Angeles, Manufacturers of Philadelphia, Market Service Group. Complete claim, adjustment and legal service.

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106 Milk Street
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31 Elm Street
Springfield, Massachusetts
Fire Companies Adjustment Bureau, Inc.
Trial of all insurance cases including casualty, fire and surety in State and Federal Courts.

CHARLES W. PROCTOR

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2900 Union Guardian Building
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ALEXANDER, McCASLIN & CHOLETTE

2217 National Bank Building
Detroit, Michigan
Equipped for investigations and defense of all insurance cases—State and Federal Courts.

HENRY A. PLATT

2111 National Bank Building
Detroit, Michigan
Specializing in defense Trial work for Insurance Companies.

MILLARD & ROBERTS

1326 Union Industrial Building
Flint, Michigan
Royal Indemnity Co., American Auto Insurance Co., Central Surety Insurance Co., Michigan Mutual Liability Co., and National Fire Insurance Co.

INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

MICHIGAN (Cont.)

ALEXANDER, McCASLIN & CHOLETTE
Peoples National Bank Building
Grand Rapids, Michigan
New York Casualty, Fidelity & Casualty, General Accident, U. S. Fire, London Guarantee & Acc., American Surety, Employers' Liability.
Equipped for investigations in this territory. Defense trial—all insurance cases—western Michigan.

KNAPPEN, UHL, BRYANT & SNOW
700 Michigan Trust Building
Grand Rapids, Michigan
Fidelity & Deposit Co. of Maryland, The Travelers, Hardware Mutual and others on request.
General insurance litigation in State and Federal Courts.

HARRY D. BOARDMAN
687 Jackson City Bank Bldg.
Jackson, Michigan
Western Adjustment Company.
Former Prosecutor, Jackson County, and Assistant Attorney General of Michigan.
Trial work—investigations.

CLAIR S. BEEBE
1003 American National Bank Bldg.
Kalamazoo, Michigan
Western Adjustment & Inspection Co.
Trial of all insurance cases in State and Federal courts in this territory.

MINNESOTA

MILLER, FOOTE & MILLER
Fournet Bldg.
Crookston, Minn.
Royal Group, Hardware Mutual, Eagle Indemnity and others upon request.
Equipped for investigations, adjustments and settlement of claims.

GILLETTE, NYE, HARRIES & MONTAGUE
1206 Atworth Bldg.
Duluth, Minn.
Globe Indemnity, U. S. F. & G., American Auto, Zurich, St. Paul Mercury, and many others on request.
Equipped for investigations, adjustments—north-eastern Minnesota.

FIELD & FIELD
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Fergus Falls, Minn.
Aetna Insurance Co., Maryland Casualty Co., Hartford Indemnity Co., All-State Insurance Co.
Equipped for investigations, adjustments of claims in western Minnesota.

W. H. FREEMAN
901 Northwestern Bank Bldg.
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JOHN ROLAND WARE
1150 Baker Building
Minneapolis, Minn.
General Counsel: Home Farmers Mutual Ins. Co., Farmers Cooperative Mutual Insurance Assn.

CHARLES H. RICHTER
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St. Cloud, Minn.
American Surety Co., U. S. Casualty Co., and others on request.
Equipped for investigations and adjustments in this territory.

MINNESOTA (Cont.)

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Fidelity and Casualty Co. of N. Y. Others on request.
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NEBRASKA
ALLEN, REQUARTE & WOOD
302 Woodmen Accident Bldg.
Lincoln, Nebr.
Insurance Clients represented and general counsel: Woodmen Accd. Central Health, Farmers Mut., Nebr., Union Fire, all in Lincoln, Nebr. Local Counsel for numerous foreign fire, life and casualty companies. Equipped for investigations and adjustment of claims in S. E. and Southern Nebraska.

ROSEWATER, MECHAM, SHACKELFORD & STOEHR
1028-40 City National Bank Building
Omaha, Nebraska
Representing 35 Insurance Companies—Kemper Group—Loyalty Group—Sun—Home—Liberty of Boston—American Surety—Security of Chicago—Employers of Wausau—Associated Ind. and others. Complete trial and claim service over Nebraska and Western Iowa.

E. L. MAHLIN
K. C. Sutherland, Associat
291 Petrow Building
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Defense trial work of all insurance cases in State and Federal Courts.
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NEW JERSEY
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810 Broad Street
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701-709 First National Bank Bldg.
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Representing Gen. Accd. Fire & Life Assur.; Commercial Casualty; United Services Auto Assoc.; Ohio Casualty; Government Employees Ins. Others on request.
Equipped for investigations and adjustments throughout New Mexico.

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75 State Street
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Represent: Fire Companies' Adjustment Bureau, Inc.; Employers' Group; The Fidelity & Casualty Company of New York; Hartford Accident & Indemnity Co.; Hardware Mutual Casualty Co.; Western Insurance Companies; others on request.
Trials and investigations in Eastern New York.

NEW YORK (Cont.)

David F. Lee
David Levesco
Edward E. O'Brien
Donald W. Kramer
LEE, LEVENE, O'BRIEN & KRAMER
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310 Security Mutual Bldg.
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Insurance attorneys. Especially equipped to handle investigations, adjustments and litigation over central New York.

WILLIAM LURIE
291 Broadway, New York City
American Surety Co. of New York, New York Casualty Co., Loyalty Group, Seaboard Surety Co.
Equipped for investigations.

PLATOW, LYON & STEBBINS
60 Broad Street
New York City
Defense attorneys for marine and casualty underwriters. References upon request. Equipped for investigations.

NAYLON, MAYNARD & SMITH
505 State Street
Schenectady, New York
General Insurance, investigations and litigations.

MACKENZIE, SMITH & MITCHELL
821 Onondaga County Savings Bank Bldg., Syracuse, New York
Aetna Insurance Co. Group, Mass. Bonding & Ins. Co., Associated Indemnity Ins. Co., Fire Co.'s
Adjustment Bureau and others on request.
Equipped for investigations

NORTH CAROLINA
J. MELVILLE BROUGHTON
William H. Yarborough, Jr., Associate
501-505 Lawyers Building
Raleigh, North Carolina
General Counsel: Atlantic Fire Ins. Co.; N. Carolina Home; Local Counsel: Travelers Group; Employers Group; Ocean Accd. & Ind.; Amer. Surety; Liberty Mutual and Others.
Trial Work, investigations and Adjustments

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NILLES, OEHLERT & NILLES
584 Black Bldg.
Fargo, N. D.
Continental Casualty Co. Standard Accident Insurance Co., Home Indemnity Co., St. Paul Mercury Indemnity, Insurance Co. of N. A. Represent Western Adjustment and Inspection Co.
Equipped to handle investigations and adjustments in southern North Dakota.

BANGS, HAMILTON & BANGS
215 South Third Street
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National Surety Corporation, Fidelity Casualty Co., Hartford Accident & Indemnity Co., and others on request.
Equipped for investigations, adjustments in all northern North Dakota.

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BULKLEY, HAUXHURST, INGLIS & SHARP
630 Bulkley Building
Cleveland, Ohio
Fireman's Fund Ins. Co., American Insurance Co., Bankers Indemnity Ins. Co., Globe Indemnity Co., Continental Casualty Co., London Guarantee & Accident Co., Ltd.

OHIO (Cont.)

FOOTE, BUSHNELL, BURGESS & CHANDLER
1250 Terminal Building
Cleveland, Ohio
Metropolitan Life Insurance Co., Medical Protective Co., Hartford Accident & Indemnity Co., Western Insurance Co., Columbia Casualty Co., Green Accident & Guarantee Co.

JOHN H. McNEAL and HARLEY J. McNEAL
582 Auditorium Bldg., 1367 E. 6th St.
CLEVELAND
Attorneys-at-Law
Facilities for investigations, adjustments and Trial work over Northern Ohio.

HEDGES, HOOVER AND TINGLEY
8 East Long Street
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Fireman's Fund Indemnity Co., Massachusetts Bonding and Ins. Co.
Equipped for investigation and adjustments.

PICKREL, SCHAEFFER, HARSHMAN & YOUNG
Gas & Electric Building
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Hartford Accident & Indemnity, Fireman's Fund, Fidelity & Casualty, Western Ins. Group, Bankers Indemnity.
Investigation and Adjustment Department.

LOGAN & BRADLEY
408 Home Bank Building
Toledo, Ohio

WILLIAM E. PFAU
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Equipped for investigation, adjustments, settlements of all insurance cases, and trial in State and Federal Courts.

WILSON S. WILEY
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Klamath Falls, Ore.
Defense trial of all insurance cases State and Federal Courts.
Equipped for investigations.

FEE & RANDALL
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Equipped for investigations and trial work.

BARTLETT COLE
1124 Board of Trade Bldg.
Portland, Oregon
Careful attention to all insurance matters. Trial of all insurance cases in State and Federal Courts.

(Continued next page)

INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the preceding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

OREGON (Cont.)

DEY, HAMPSON & NELSON
800 Pacific Building
Portland, Oregon
Continental Cas. Co., American Motorist, Pacific Greyhound Lines and others.

McCAMANT, THOMPSON, KING & WOOD

American Bank Bldg.
Portland, Ore.
Metropolitan Life Ins. Co. of N. Y., Union Central Life, New Amsterdam Cas., Commercial Casualty, Sun Indemnity.
Equipped for investigations, adjustments of claims.

RAFFETY & PICKETT

410 Mead Building
Portland, Oregon
Globe Indemnity Co., Fireman's Fund Insurance Co. (Marine Department), other names upon request. Equipped to make investigations and adjustments, also trial of insurance cases in all State and Federal Courts.

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1732 Oliver Building
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Equipped for investigations.
Defense of Insurance Companies in State and Federal Courts.

THORP, BOSTWICK, REED & ARMSTRONG

Grant Building
Pittsburgh, Pa.
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Investigations.

RHODE ISLAND

SHERWOOD & CLIFFORD

1543 Turks Head Building
Providence, R. I.
General Counsel: Factory Mutual Liab. Ins. Co., and Automobile Mutual Ins. Co. of America.
Rhode Island Counsel: Employers' Liability, Century Indemnity and others.
Investigations, Adjustments and trial of all cases.

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Equipped for investigations and adjustments all over South Carolina.

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John H. Voorhees
Theodore M. Bailey
Melvin T. Woods, Jr.
Roswell Bottum
Howell L. Fuller
Ralph S. Rice

BOYCE, WARREN & FAIRBANK

355 Boyce Building
Sioux Falls, S. D.
Hardware Mutual, Mutual Benefit Health & Accident, Northwestern National Casualty, Bankers Indemnity, London Guarantee & Accident.

S. DAKOTA (Cont.)

WALTER STOVER

First Citizens National Bank Building
Watertown, S. Dakota

TENNESSEE

MANIER & CROUCH

Baxter Bldg.—216 Union Street
(Entire 4th Floor)
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Preferred Accident; U. S. Guaranty; Fireman's Fund; Allstate; St. Paul Mercury; Utilities Ins.; Employers Reinsurance; Central Surety; many others. For clients who have no local adjusters, we investigate, adjust claims as well as handle legal work anywhere in Middle Tennessee.

TEXAS

HUBBARD, DYER & SORRELL

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Corpus Christi, Texas
References: Maryland Casualty Company, American Fidelity & Casualty Company, Traders & General Insurance Company.
Specializing in Insurance Law
Equipped for Investigation and Claims

BROMBERG, LEFTWICH, CARRINGTON & GOWAN

Magnolia Building
Dallas, Tex.
Representing New Amsterdam Casualty; Standard Surety and Casualty; St. Paul Mercury; American Automobile; Ohio Casualty; Western Casualty and Surety; General American Group. Others on request.

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Henry C. Coke, Jr.
Julian B. Mastin
Thomas G. Murnane
John N. Jackson
Arthur E. Hamilton

CANTEY, HANGER & McMAHON

15th Floor, Stockbar Building
FORT WORTH, TEXAS
Wm. B. Caney
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William A. Hanger
Alfred McKnight
Mark Mahon
Gillis A. Johnson
W. D. Smith
B. K. Hanger
Investigations, Adjustments, Trial All Cases

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Citizens State Bank Building
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Bennett B. Patterson
Robert L. Cole, Jr.
R. E. Owens
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Chicago Lloyd's.
United States Casualty Co. of New York City, etc.
Equipped for investigation, adjustment, trial of all insurance cases and oil cases.

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M. A. McCorquodale
Bruce C. Billingsley
Willard L. Russell
V. Lee McMahon
Hugh G. Buek
R. F. Gibbons

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First National Bank Building
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Representing U. S. F. & G., F. & D., Maryland Casualty, American National Ins. Co., Amicable Life Ins. Co., and many others.
Trial of all insurance cases in all courts. Equipped for investigations, adjustments, settlement of claims in plains Country.

BIRKHEAD, BECKMANN, STANARD & VANCE

800-811 Gunter Building
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Continental Casualty Co., Chicago; Indemnity Ins. Co. of North America, Phila.; Mass. Bonding & Ins. Co., Boston; Provident Life and Ass. Ins. Co., Chattanooga; Sun Indemnity Co. of New York; Volunteer State Life Ins. Co., Chattanooga, and others.

TEXAS (Cont.)

MOURSUND, BALL, MOURSUND & BERGSTROM
613 Frost National Bank Building
San Antonio, Texas
Loyalty Group and others given on request.
Trial of all insurance cases, State and Federal Courts this territory.

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THATCHER & YOUNG

First Security Bank Building
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Travelers, Great American Indemnity, Maryland Casualty and others on request.
Equipped for investigations, adjustments, defense of insurance companies in Northern Utah.

BADGER, RICH & RICH

604-610 BOSTON BUILDING
SALT LAKE CITY, UTAH
Equipped for investigations, adjustments, trials. Representing Standard Accident, Sun Indemnity, Zurich, State Farm Mutual Auto, Western Casualty & Surety, Employers Mutual, Chicago Lloyd's, United Services Automobile Association, Glens Falls, Farmers Mutual Automobile and others upon request.

STEWART, STEWART & CARTER

1105 Continental Bank Building
Salt Lake City, Utah
Equipped for investigations, adjustments, settlements of claims and trial of all insurance cases State of Utah.

WASHINGTON

BOGLE, BOGLE & GATES

603 Central Bldg.
Seattle, Wash.
Oregon Mutual Life, Occidental Life, Bankers Life, Fireman's Fund, Home Insurance Co. (Marine), Pacific Indemnity (Surety), St. Paul Mercury Indemnity, Lincoln National Life Insurance Co.

BYERS, WESTBERG & JAMES

310 Marion Bldg.
Seattle, Wash.
Specializing in defense trial work of insurance companies. References on request.
Equipped to handle investigations, adjustments and settlements on all insurance claims.

DAVIS AND GROFF

(William Hatch Davis former member Vermont Bar) (Guy B. Groff former member Maryland Bar)
1333 Dexter Horton Building
Seattle, Washington
(1) John Hancock Life.
(2) Fidelity & Guaranty Fire Corporation.
(Others on request)
Equipped for investigations and adjustments and trial of all insurance cases in State and Federal Courts.

GRINSTEAD, LAUBE & LAUGHLIN

1406 Dexter Horton Bldg.
Seattle, Wash.
Fidelity & Deposit, Massachusetts Bonding & Insurance, Associated Indemnity, Globe Indemnity. Qualified to handle defense trial work of fire companies.

N. A. PEARSON

483-04 Fourth & Pike Bldg.
Seattle, Wash.
Associated Indemnity Corp., and London Guarantee & Accident Co.
Equipped for investigations and adjustments and trial of all insurance cases in State and Federal Courts.

ROBERTS AND SKEEL

Insurance Building
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Tom W. Holman
Frank Hunter
Tyne E. Hollander
Lawrence Booth, Jr.
W. B. McKelvy
Wm. Paul Uhlmann
Harry Henke, Jr.
W. K. Evenson
Robert H. Grass
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SCHWELLENBACH & GATES

Alaska Building
Seattle, Washington
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Trial of all insurance cases, State and Federal Courts.

H. EARL DAVIS

301 Sherwood Building
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Representing the Columbia Cas., Ocean Acc. & Guarantee, Royal Indemnity, Eagle Indemnity, Great American Indemnity, American Surety, New York Casualty, U. S. Guaranty, Ohio Casualty Ins., Great Lakes Casualty, Connecticut Indemnity, St. Paul Mercury Indemnity.
Equipped to handle investigations and adjustments and all types of insurance trial work.

BURKEY & BURKEY

Puget Sound Bank Bldg.
Tacoma, Wash.
Insurance clients given on request. Equipped for investigations and adjustments.

HARLEY W. ALLEN

102 First National Bank Building
Walla Walla, Washington
Representing U. S. F. & G., Portland Assoc. Indemnity, Portland. Other companies on request.
Equipped for investigations, adjustments and trial for this territory and eastern Oregon.

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KRUGMEIER & WITMER

Appleton State Bank Bldg.
Appleton, Wisconsin
Defense of Insurance trial work. Equipped for Adjustments and investigations.

CROCKER & HIBBARD

303½ South Barstow St.
Eau Claire, Wisconsin
Equipped for handling all insurance matters in this territory in State and Federal Courts.
Reference: Western Adjustment and Inspection Bureau.

LYNN D. JASEPH

404 Northern Building
Green Bay, Wisconsin
Defense in trial work of insurance cases in all State and Federal Courts.

NASH & NASH

Savings Bank Building
Manitowoc, Wisconsin
Continental Casualty Co., The American Motorist, American Employers Group, Hardware Mutual Casualty Co., and others on request.
Equipped for investigations, settlement of all insurance claims—this territory. Defense trial in State and Federal Courts.

BLOODGOOD, STEBBINS & BLOODGOOD

212 W. Wisconsin Ave.,
Warner Building
Milwaukee, Wisconsin

EUGENE L. MCINTYRE

Bender, Trump & McIntyre
805 Security Building
(213 West Wisconsin Ave.)
Milwaukee, Wisconsin
Western Ins. Companies of Fort Scott, Sun Indemnity, Central Surety & Ins. Corp., Employers Reinsurance Corp. Others on request.
Equipped to investigate and adjust claims in Milwaukee and vicinity.

haven't insurance protection until after they have an accident. Some of the contracts provide for property damage payments up to \$100 and personal injury payments up to \$500 and in addition there is a provision for bail bond if the member is arrested on traffic charges, payment of member's legal fees in criminal or civil suits, towing service, emergency repairs and tourist information. One company's contract also provides that it will pay a maximum of \$2,500 for death claims for which the member is liable.

Tennessee Issues Ruling on Finance Writings

NASHVILLE — Commissioner McCormack has issued a ruling almost identical to that recommended at the recent mid-winter meeting of the National Association of Insurance Commissioners, regarding the handling of insurance on

financed automobiles. Mr. McCormack was chairman of a committee of the commissioners' association that held meetings on the automobile finance situation at the mid-winter meeting and brought in the recommendation that was adopted. The Tennessee ruling became effective Dec. 21.

The ruling is that insurers of financed automobiles supply each individual so insured with a policy or certificate giving full and complete information regarding type of coverage, limits of liability, premiums, duration of contract, whether double or single interest insurance and the terms and conditions of the insurance.

Mr. McCormack inserts a provision that is not found in the commissioners' recommendation, which is that the policy or evidence of it must be countersigned by a bona fide resident agent of Tennessee.

The ruling further prohibits flat premiums which do not take into consideration the values of property insured. Any differential in rates based on a distinction between finance and non-finance cars, is also prohibited.

Firemen's Has 100 % Loss Ratio on Bear Insurance

The Firemen's of Newark does not write bear insurance but it does write automobile comprehensive insurance and recently had occasion to pay a bear loss under such a contract.

"Car damaged by bear. Wire advice to Yellowstone going north," was the telegram received by the head office claim department recently. The assured was a Danish horticulturist who was touring Yellowstone National Park. He was in the park after the season was over and had gained permission to pitch his tent on the shore of a lake. He had some provender in the car and during the night a bear made his way to the provender by tearing a hole through the roof of the automobile. In the morning, the horticulturist demanded that the federal government pay the cost of the repairs but a forest ranger denied liability and the horticulturist then happened to recall that he had insurance. The head office authorized a garage in Bozeman to make the repairs but that garage was not equipped to do a complete job so the work was done at Portland, Ore., where the assured was heading.

MARINE

Make Deal With Mortensen

Wisconsin Commissioner Permits Use of Special Personal Fur Policy Through Furriers

The Inland Marine Underwriters Association has advised members that Commissioner Mortensen of Wisconsin has agreed to an arrangement whereby the issuance of a special personal fur policy by and through furriers may be continued. Mr. Mortensen some time ago announced that effective Jan. 1, severe restrictions would be enforced in connection with the issuance of customers custody fur policies. The I. M. U. A. thereupon decided that members should not be permitted after Jan. 1 to issue such policies. However, an agreement has now been reached with Mr. Mortensen on a procedure.

A special form must be used. All policies must be countersigned by a local agent. They may be countersigned en bloc and so delivered to the furrier.

The premium may be collected by the furrier for remission to the agent.

The policy that is issued must show the amount of insurance and the rate and the premium on its face.

No compensation of any character may be paid to the furrier.

The use of this form will be subject to the so-called Illinois furriers custom-

ers personal policy endorsement and the applicable rates and rules. This endorsement covers the year round in all situations, the basis charge being 50 cents plus five times the highest monthly custody rate.

The Wisconsin department will permit the optional use of a professional entertaining warranty.

The policy that is issued must contain a statement to the effect that it is unlawful under section 209.05 of the Wisconsin statute for an unlicensed dealer or furrier to solicit, issue or collect for the policy unless he receives no personal compensation for such services.

S. D. McComb Is Reelected

S. D. McComb, head of the Marine Office of America, was reelected president of the American Institute of Marine Underwriters at the annual meeting. W. D. Winter, president Atlantic Mutual, was reelected vice-president, and F. B. McBride, was reelected secretary.

Special Endorsement in Pontiac

Several marine writing companies in the last few days have received requests to attach to bailees policies of cleaners and dyers in Pontiac, Mich., an endorsement agreeing to notify the Pontiac city authorities when and if the policy is canceled.

It turns out that an ordinance was passed in Pontiac requiring cleaners and dyers to carry bailees insurance. Sentiment developed in favor of such an ordinance because numerous complaints had been presented to the city authorities that customers of cleaners and dyers had been unable to get satisfaction when their property was lost or damaged.

Gresset to Marine Office

Maurice A. Gresset has been named special agent for Louisiana and Mississippi by the Marine Office of America. Mr. Gresset has been with the inland and ocean marine department of the Automobile with supervision over Louisiana and Mississippi for the last six years. He joined the Automobile after he graduated from Georgia Tech in 1926. He is well known in the south as he has traveled in Texas, Georgia and North Carolina.

Shlensky Hits Actions of Central Mutual Receiver

(CONTINUED FROM PAGE 16)

executed between 1934 and 1936. Since the liability of Lloyds under its reinsurance contract cannot be determined for some time, Mr. Miller requested that this claim be kept open until the proper counterclaim can be ascertained.

An assessment will undoubtedly be necessary, Mr. Miller reported. He retained the accounting firm of Conover & Green to make an audit and stated that he will request an adjustment after this work has been completed.

In South Carolina, North Carolina, Tennessee, Kentucky and Indiana, claimants have tried through action in the local courts to levy assessments on policyholders resident in those states. So far, Mr. Miller reported, he has been successful in halting such action. A number of suits are still pending over statutory deposits put up in these and other states by Central Mutual.

Mr. Miller reported that as of Nov. 30, 1937, he had on hand about \$25,000 in cash. Total receipts since he took over the company were \$46,000 and disbursements \$21,000. The biggest item was \$15,000 received from the St. Paul Mercury Indemnity, following compromise of a prolonged suit over the release of collateral on bonds issued by the St. Paul Mercury to the Central Mutual. Another item received was \$1,043 from Mr. Shlensky in payment of the receiver's interest on three life insurance policies.

The circuit court had allowed Mr. Miller a fee of \$3,000 and his attorney, Lloyd C. Whitman, the same sum. The

receiver's report states that no other payments, other than allowances for traveling expenses, have been made to either person.

After maintaining that the court has no jurisdiction and no power to pass any orders in connection with this case, except as to the appointment of the receiver and his compensation, and hence that the entire proceeding is void, and also declaring that the receiver has no power to levy an assessment, Mr. Shlensky maintained that the employment of Conover & Green as accountants was highly improper. He maintained that this firm does most of the local accounting work for Lloyds of London, who are one of the largest creditors of the Central Mutual. On this ground, Mr. Shlensky maintained that they should be removed and that no money should be paid to them.

Mr. Miller, according to Mr. Shlensky, in his capacity as receiver had no authority to refuse to defend claims against the Central Mutual. Neither, he alleges, had the court any authority to approve such an action. By not defending these cases, Mr. Shlensky maintained that the receiver has voided the reinsurance contract with London Lloyds, which called for payment of 50 percent of all losses and claim expenses of Central Mutual.

The net result of this "improper conduct," the objections continued, is that policyholders of Central Mutual, with claims of \$4,000,000 facing them, have been deprived of the proper protection to which they are entitled and will probably be subject to higher assessments than should equitably have been imposed upon them. In general, according to the objections, "conduct of the receiver . . . has been highly prejudicial and detrimental to the defendant and to its policyholders."

Mortgages and Office Furniture

Another sin of omission charged by Mr. Shlensky is that the receiver has failed to foreclose a number of mortgages owned by Central Mutual and in default. The files of the Central Mutual case are choked with petitions and orders concerning authority to foreclose several of these mortgages, with heavy objections from almost every interested party in each case.

Mr. Shlensky also maintained that the receiver did not realize a sufficient sum for the personal property of the Central Mutual. Most of this personal property, largely office furniture and equipment, was sold by A. J. Crowley & Co., auctioneers, for \$5,235, under order of court. According to Mr. Shlensky, the Empire Mutual (successor to Central Mutual of Illinois) had offered to buy this property for \$7,500, which would also have avoided auctioneers' and other fees. Mr. Miller is further charged with having been remiss in his duty by not selling furniture in the Milwaukee office of the Central Mutual before it was distrained by the landlord for rent. Three automobiles were sold at prices which Mr. Shlensky charges to be inadequate. The expenditure of between \$7,000 and \$8,000 for clerical help is claimed by Mr. Shlensky to be excessive. He also asks that the Messrs. Miller and Whitman be ordered to make a complete accounting of their time and efforts in connection with the affairs of Central Mutual, for which they were paid \$3,000 each.

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Lloyds License to Be Contested Soon by Surety Men

(CONTINUED FROM PAGE 10)

risk exceeding that amount should immediately be taken up with the attorney-in-fact to see that no violations of the law occur."

"In accordance with the understanding between underwriters and the department of insurance," Mr. Lord continued, "no Illinois agent or broker shall be licensed to place Illinois risks with underwriters at Lloyds of London unless and until he enters into and undertakes to furnish all information required by the law of Illinois. Underwriters at Lloyds of London will accept no Illinois risks from agents or brokers who have not been licensed in Illinois and who have not entered into such an undertaking."

Immediate Action

London Lloyds agents and brokers were warned that it is necessary to execute and return the agreement letter at once and also, in compliance with a cable from London, to agree at once not to bind any new business until the agreement letter is approved. Underwriters at London are to be notified by Mr. Lord when Illinois agents and brokers have complied with the requirements.

Negotiations are being conducted by cable to effect a reinsurance plan which will permit London Lloyds to retain the large lines for which it has been the outstanding market. It is not known precisely how this reinsurance will be effected. The attorney-general's opinion approves any reinsurance in a domestic or approved foreign or alien company. However, except for blanket bonds, it is believed, the setup of the Surety Association of America forbids reinsurance of London Lloyds.

An integral part of the reinsurance plan is the ruling by Mr. Kerner that London Lloyds may take credit for re-

serves in licensed or solvent and approved companies. He ruled individuals may be underwriters in more than one Lloyds, and that all assets and liabilities of alien Lloyds must be considered in applying the 10 percent limitation of risk provision. In deriving his rulings Mr. Kerner interpreted "company" as used in the code to mean insurance carrier or an aggregation of individuals engaged in the insurance business. Neither the old nor new insurance laws of Illinois provide for recognition of this ceded risk reserve credit, but Mr. Kerner interpreted it to be applicable as a matter of public policy. Similarly the code does not specify individuals may be underwriters in more than one Lloyds, but he drew an analogy with stockholders in corporations.

A point in his ruling is that no underwriter could accept reinsurance on a risk on which he has assumed direct or primary risk as an underwriter.

Another vital point in his ruling, as explained in THE NATIONAL UNDERWRITER last week, is that the underwriters deposit of \$2,350,000, now placed under control of the department, subject to seven days' withdrawal notice, with the director's right of approval or refusal, and providing also there shall be no exchange of funds or securities without his approval, is a "joint and several" deposit standing behind all policy obligations. This is a point declared to be open to practical attack, as Lloyds policies are said to specify only the underwriters listed in a contract are responsible for its obligations. However, Lloyds spokesmen say the agreement with the department governs. Any departure from this and falling back on the policy technicality might be considered grounds by the insurance director for revocation of license.

Start Survey on Selection of Accident-Health Agents

(CONTINUED FROM PAGE 16)

1. (a) Year of birth? (b) Age at contract?
2. Marital status: Single, Married, Separated, Divorced, Widowed.
3. Number of full dependents (including wife)?
4. Highest grade completed: Grammar school, 1, 2, 3, 4, 5, 6, 7, 8. High school, 9, 10, 11, 12. College, 1, 2, 3, 4. College postgraduate, 1, 2, 3, 4.
5. (a) Is applicant now employed? (b) If not, how long has he been unemployed?
6. How long engaged in present occupation?
7. How long has applicant worked for present employer?
8. Number of different employers in past three years?
9. (a) Principal occupation in recent years? (b) Specific work done in it?
10. Amount of selling experience other than insurance?
11. If now employed, give present income per month.
12. Does he have any sources of income other than current earnings?
13. Extent of indebtedness: In debt

more than \$500. In debt less than \$500. Not in debt.

14. Approximate net worth \$.....

15. Minimum current living expenses per month.

16. Amount of life insurance owned \$.....

* * *

17. Does he have accident and health policy? (a) Weekly accident indemnity \$..... (b) Weekly sickness indemnity \$.....

18. Member of how many different organizations, clubs, or lodges (church, business, political, fraternal, social, military)?

19. In how many of these organizations has he held office?

20. Length of residence in the community?

21. Condition of health: Excellent. Good. Fair. Poor.

22. Attitude of family toward entering insurance salesmanship? Definitely favorable. Slightly favorable. Indifferent. Slightly unfavorable. Definitely against it.

* * *

23. Source of applicant's principal contact with agency? Acquainted with manager or general agent. Acquainted with supervisor or assistant manager. Acquainted with other agents. Acquainted with other members of agency. Policyholder of company. Newspaper advertising, circularization, etc. Through center of influence. Other contact.

24. (a) Date when general agent or manager first discussed with applicant the possibility of coming with the company? (b) Period of time over which negotiations took place?

25. Number of times general agent or manager has interviewed applicant?

26. Additional items of special interest.

Late News from the Casualty Field

New Compensation Digest

The Association of Casualty & Surety Executives announces that the new edition of its "Digest of Workmen's Compensation Laws," is ready for distribution. It has been revised to Nov. 1, 1937. Since the publication of the fourteenth edition in 1935, 37 states and 2 territories have amended or supplemented their compensation laws. The new edition has over 800 pages. It may be obtained from the association, 60 John street, New York, at \$10 per copy.

John Kremer, Jr., With J. & H.

John Kremer, Jr., who resigned as Newark manager for Indemnity of North America, has joined Johnson & Higgins in its New York head office. He is a son of Vice-president John Kremer of the North America.

Chattanooga Gets Results

CHATTANOOGA, TENN. — Chattanooga decreased its automobile accident fatalities from 35 to 26 in 1937 while Hamilton county, in which Chattanooga is located, reduced fatalities from 61 in 1936 to 45 in 1937. Much credit for this record is due to safety work of the Chattanooga Insurance Exchange.

Reed Is Oregon President

PORTLAND, ORE. — The Oregon Casualty Association has elected these officers: President, Fred Reed, Bates Lively & Pearson; secretary-treasurer, Fred J. Horn, National Bureau of Casualty & Surety Underwriters; executive committee, W. E. Schiffer, Seeley & Co., chairman; Lowell Miller, Hartford Accident, and J. S. Laird, Lamping & Co.

Voting on Plan for Indiana

INDIANAPOLIS — Members of the National Council on Compensation Insurance are voting by mail on an occupational disease assignment plan for Indiana. Probably most of the leading companies have voted affirmatively thus far but with the reservation that they will not be bound unless all members vote favorably. It is felt by company representatives in Indiana that the state

is entitled to some definite plans as soon as possible inasmuch as plans have already been adopted in other states. There will be considerable disappointment if adoption of a plan at this time fails.

Bar Associations in N. J. Move Against Adjusters

Three bar associations of New Jersey have instituted a test proceeding in an effort to restrict the activities of adjusters who are not licensed to engage in the law business. W. D. Ullrich, an adjuster of Atlantic City, was ordered to appear before Chancellor Campbell to show cause why he should not be restrained from "unlawfully practicing law." The petition was signed by the New Jersey Bar Association, Camden County Bar Association and Bar Association of Atlantic County. Mr. Ullrich is charged with unlawfully engaging in the law business by giving advice on matters involving legal rights; appearing as an attorney on proceedings before courts, commissioners, referees, etc., and unlawfully drawing papers, etc., in connection with proceedings before bodies authorized to settle controversies.

Ballantine's Committee Active

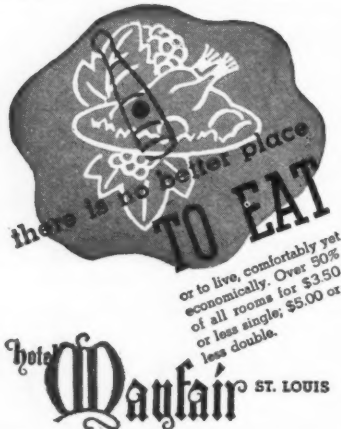
The joint committee to sponsor the accident compensation plan headed by Attorney A. A. Ballantine of New York has drafted a bill which it intends to have introduced in the forthcoming session of the New York legislature. The bill would have to be prefaced by a change in the constitution and this will be sought at the forthcoming constitutional convention.

The bill would provide for compensating all victims of automobile accidents, for taking automobile accident cases from the court and putting them under the jurisdiction of a special administrative body, with fixed definite amounts for injuries depending on earning power and will eliminate the element of negligence in order to get recovery.

The division of automobile accident compensation would be established in the bureau of motor vehicles and there would be a board of accident compensation. Private companies would be permitted to issue the cover but it would also be purchasable from the state fund.

Byron Sommers Chicago manager for Ohio Casualty is the father of a baby boy, Robert Allan.

J. M. McNulty has been elected a director of McNulty, Brouillette, provincial agents in Quebec for the Eagle Fire of New York and British Empire.



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